Despite the two-to-one margin that expected improvement rather than deterioration in business conditions, the expected improvement was not viewed as sufficient to warrant "good times" financially. In fact, bad rather than good times financially were expected for the economy as a whole by a similar two-to-one margin. Among all respondents in the January-March 1981 surveys, 58 percent expected bad times financially in the economy as a whole, compared with 28 percent who expected good times financially during the next 12 months. Long-term business prospects were also viewed as unfavorable by the majority. During the past year, the proportion of consumers that expected bad times financially in the economy as a whole during the next five years fell from 68 percent in the first quarter of 1980, to 46 percent in the fourth quarter of 1980, and subsequently rose to 53 percent in the January-March 1981 surveys.

Part of the recent increase in unfavorable evaluations of business conditions can be attributed to a greater concern with unemployment. In the January-March 1981 surveys, 40 percent reported that they expected unemployment to increase during the next 12 months, up from 31 percent in the October-December 1980 surveys. On balance, unemployment expectations were somewhat more favorable in early 1981 than a year earlier, when 52 percent expected unemployment to increase. However, just 16 percent of all respondents expected unemployment to decline in the year ahead in the January-March 1981 surveys, but 42 percent expected unemployment to remain at the same high levels during the next 12 months.

Price and interest rate expectations moderated considerably in the first quarter 1981 surveys. Among all families, prices were expected to increase by 7.7% in the January 1981 surveys, down from 9.3% in the fourth quarter 1980 surveys, and 11.9% in the first quarter 1980. Not since early 1978 have inflation expectations been as low. Overall, the proportion that expected price increases fell from 88 percent in the first quarter of 1980 to 77 percent in the first quarter of 1981. More importantly, the proportion of respondents that expected price increases of 10% or more fell from 52 percent in early 1980, to 34 percent in January-March 1981. The same trend in price expectations was recorded among families with incomes of $20,000 or more, with the mean expected rate of inflation falling to 8.0% in the first quarter of 1981, down from 9.4% in the fourth quarter of 1980, and 11.6% in the first quarter of 1980.

When asked whether unemployment or inflation represents the more serious economic hardship facing the country, respondents continued to identify inflation as the primary concern, although the balance of opinion has shifted toward unemployment during the past year. Among all families, 51 percent in January-March 1981 thought that inflation was the more serious economic hardship, down from 66 percent in the first quarter of 1980, while 36 percent thought unemployment the more serious hardship in early 1981, up from 25 percent in the first quarter of 1980.

Although a substantial number of respondents reported that they expected improved business conditions because of changes in government economic policies, not as many respondents have yet given favorable ratings to current government economic policy. In January-March 1981, 17 percent of all respondents thought that the government was doing a good job in combating inflation and unemployment, up from 7 percent in the fourth quarter of 1980--the lowest proportion recorded under the Carter administration. In comparison with the first quarter of 1977 when Carter entered office--when Carter received his most favorable ratings--fewer people reported that the government was doing a good job in 1981 (17 percent) than in 1977 (22 percent), and more frequently rated policy as poor in 1981 (33 percent) than in 1977 (15 percent). This difference reflects the higher rates of inflation and unemployment in early 1981 compared with early 1977.

Personal Finances Remain Weak

Consumer evaluations of their current financial situations have remained at record unfavorable levels for almost two years. In January-March 1981, 45 percent of all families reported that they were worse off financially than a year earlier, just above the 44 percent recorded in both the first quarter and fourth quarter 1980 surveys. Families with incomes of $20,000 or more gave similar unfavorable evaluations of their current financial situation. In the January-March 1981 surveys, 41 percent of high-income families said they were worse off financially than a year earlier, up from 37 percent in the first quarter of 1980. When asked how their financial situation had changed during the past year, unfavorable references to inflation continue to be the predominant response. In addition, fewer high-income families mentioned receiving income increases, the proportion falling to 35 percent in the first quarter of 1981, from 44 percent in the first quarter of 1980.

Despite the unfavorable view of their current financial situation in early 1981, future improvement rather than further deterioration in the year ahead was more frequently expected, although by a small margin. In the January-March 1981 surveys, consumers expected their financial situation during the next year to improve rather than worsen by a margin of 27 to 21 percent, nearly the reverse of the record low of 21 versus 29 percent recorded in the second quarter of 1979. Among families with incomes of $20,000 or more, 32 percent expected improved personal finances in the first quarter 1981 surveys, up from 25 percent in the first quarter of 1980.

The expected improvement in their personal financial situation was due to the maintenance of nominal family income expectations at relatively high levels, coupled with declines in the expected rate of inflation, thus yielding expected improvements in real incomes. In the January-March 1981 surveys, 61 percent of all families expected family income increases during the next year, largely unchanged from the 64 percent recorded in the first quarter of 1980, and the 62 percent recorded in the first quarter of 1979. Nominal family income increases of 10% or more were expected by 27 percent of all families in the first quarter of 1981 (36 percent among high-income families), a level similar to the 29 percent recorded in the first quarter of 1980 (34 percent among high-income families), and the 23 percent recorded in the first quarter of 1979 (32 percent among high-income families). When consumers were asked whether they expected their family income or prices to increase to a greater extent during the next year, 42 percent of all families expected real income declines in the first quarter of 1981, down from 53 percent in the first quarter of 1980. A similar shift in real income expectations was recorded among high-income families, with the proportion who expected real income declines falling to 36 percent in the first quarter of 1981, from 48 percent in the first quarter of 1980.

When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the February 1981 survey. The proportion of families that reported they were not especially reluctant to use savings to make major purchases was 26 percent in February 1981, down from 38 percent in February 1980. The proportion of families that were especially reluctant to use savings rose to 69 percent in February 1981 from 54 percent in February 1980 (see Table B). On balance, families were more reluctant to use savings for major purchases in early 1981 than at any time in the prior five years.

Table B

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use savings; not especially reluctant	33%	37%	32%	32%	38%	26%
Pro-con	6	3	3	3	1	3
Not okay to use savings; especially reluctant	59	56	62	63	54	69
Don't know, not ascertained	2	4	3	2	7	2
Total	100%	100%	100%	100%	100%	100%
Cases	1106	1096	1037	1150	966	637

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

Families are also more reluctant to incur new debt to make major purchases in early 1981 than during the prior five years (see Table C). Among all families, just 12 percent reported in February 1981 that they were not reluctant to use credit, down from 19 percent in February 1980. Families who reported that they were especially reluctant to use credit rose to 85 percent in February 1981 from 80 percent in February 1980.

Table C

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use credit; not especially reluctant	20%	22%	20%	16%	19%	12%
Pro-con	5	2	2	1	1	1
Not okay to use credit; especially reluctant	74	71	77	82	80	85
Don't know, not ascertained	1	5	1	1	*	2
Total	100%	100%	100%	100%	100%	100%
Cases	1269	1203	1135	1228	1019	668

*Less than half of one percent.

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

Unfavorable Buying Attitudes

Attitudes toward buying conditions for houses, vehicles, and large household durables were less favorable in the first quarter of 1981 than either one quarter or one year earlier. Unfavorable attitudes toward market conditions for houses reached a new all-time record low level in early 1981, with three-in-four consumers reporting unfavorable buying conditions. Unfavorable attitudes toward the automobile market were held by one of two consumers, while unfavorable attitudes toward market conditions for large household durables were held by more than one-in-three.

The largest recent decline occurred in attitudes toward the housing market. Among all families, 76 percent reported unfavorable buying conditions for houses in January-March 1981, up from 67 percent in the fourth quarter of 1980, and 60 percent in the first quarter of 1980. Favorable evaluations of the market conditions for houses fell to 20 percent in the first quarter of 1981, from 28 percent in the fourth quarter of 1980, and 35 percent in the first quarter of 1980. When asked why they held these opinions of buying conditions for houses, 75 percent of all respondents referred to high interest rates in the first quarter of 1981, up from 66 percent in the fourth quarter of 1980, and 56 percent in the first quarter of 1980. Buy-in-advance price rationales, which were reported by one-third of all consumers in the first quarter 1978 and 1979 surveys, subsequently fell to 20 percent in the first quarter of 1980 and 10 percent in the first quarter of 1981.

Favorable buying conditions for automobiles were reported by 38 percent of all families in the first quarter 1981 surveys, down from 40 percent in the fourth quarter 1980, and 44 percent in the first quarter of 1980. Unfavorable buying attitudes rose somewhat, from 47 percent in both the first and fourth quarter 1980 surveys, to 50 percent in the first quarter 1981. The small unfavorable year-to-year shift resulted from several offsetting trends. While buy-in-advance price rationales have considerably weakened during the past several years, falling from 32 percent in the first quarter of 1979 to 21 percent in the first quarter of 1980 and 12 percent in the first quarter of 1981. Reports of high interest rates and tight credit, in contrast, rose from 6 percent in the first quarter of 1979, to 15 percent in 1980, and 25 percent in 1981. The availability of rebates and price discounts was mentioned by 23 percent in January-March 1981, up from 18 percent a year earlier, while complaints of high prices rose to 33 percent in the first quarter of 1981, up from 26 percent in the first quarter of 1980.

Attitudes toward market conditions for large household durables have remained largely unchanged during the past six months, although at somewhat lower levels than a year earlier. Among all families, 47 percent rated buying conditions for durables as favorable, down from 58 percent in the first quarter of 1980, while unfavorable evaluations rose to 38 percent from 32 percent. Underlying the growth in unfavorable evaluations were more frequent references to high interest rates in the first quarter of 1981 (24 percent) than in 1980 (14 percent), and significantly fewer mentions of buy-in-advance price rationales in early 1981 (25 percent) than in the first quarter of 1980 (41 percent).

The shift in reasoning from buy-in-advance price rationales toward postponement due to high interest rates is highlighted in Table D. During the past decade, buy-in-advance rationales reached a peak level in each market in 1973 (an average of 28 percent), and subsequently fell to a cyclical low level in 1975 (9 percent). Following the 1974-75 recession, buy-in-advance rationales rose in frequency and reached a new peak level in 1979 (36 percent). By early 1981, however, buy-in-advance rationales lost considerable appeal. These data do not indicate that inflationary psychology has ended, but that lowered price expectations and higher interest rates have made advance buying a less attractive strategy at this time.

Trends in references to high interest rates and limited credit availability have varied inversely with mentions of buy-in-advance rationales during the past decade. Expressed concern with high interest rates reached cyclical peak levels when buy-in-advance rationales were mentioned least frequently. To be sure, mentions of high interest rates and tight credit conditions have had the greatest impact on the housing market. Importantly, concern with credit conditions has become a more important factor in shaping consumer attitudes toward the car and household durables markets in early 1981.

TABLE D

SHIFTS IN BUY-IN-ADVANCE PRICE RATIONALES
AND POSTPONEMENT DUE TO HIGH INTEREST RATES

(First Quarter Data)

Markets	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
a) Percent Who Mentioned Buy-in-Advance Price Rationales												
Houses	10	12	21	30	17	6	19	28	36	32	20	10
Cars	10	16	24	25	11	7	18	25	30	32	21	12
Durables	18	17	24	30	26	13	20	27	37	44	41	24
Average	13	15	23	28	18	9	19	27	34	36	27	15
b) Percent Who Mentioned High Interest Rates and Tight Credit												
Houses	56	34	14	14	41	42	22	16	9	28	56	75
Cars	15	9	2	3	4	5	2	2	2	2	15	25
Durables	14	10	3	1	3	5	1	1	2	6	14	24
Average	28	18	6	6	16	17	8	6	4	12	28	41

Summary Outlook

The January-March 1981 surveys indicate that consumer sentiment has remained unchanged during the past nine months. At the present time, there is a sizable difference between evaluations of current economic conditions and expectations for future change. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are very unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general.

Favorable buying attitudes have remained near record low levels due to high interest rates--especially in the housing and car markets. In addition, the financial strains on consumers have led them to become more reluctant to incur new debt or to draw on savings in order to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

2/10/81

SURVEY RESEARCH CENTER
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TABLES AND CHARTS

JUNE 1981

The June 1981 survey is the 153rd in a longitudinal series of surveys of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior . This type of information is essential for forcasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions . One highlights recent changes in the quarterly observations for all families and for high income families . The second chart gives historical data using quarterly results.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

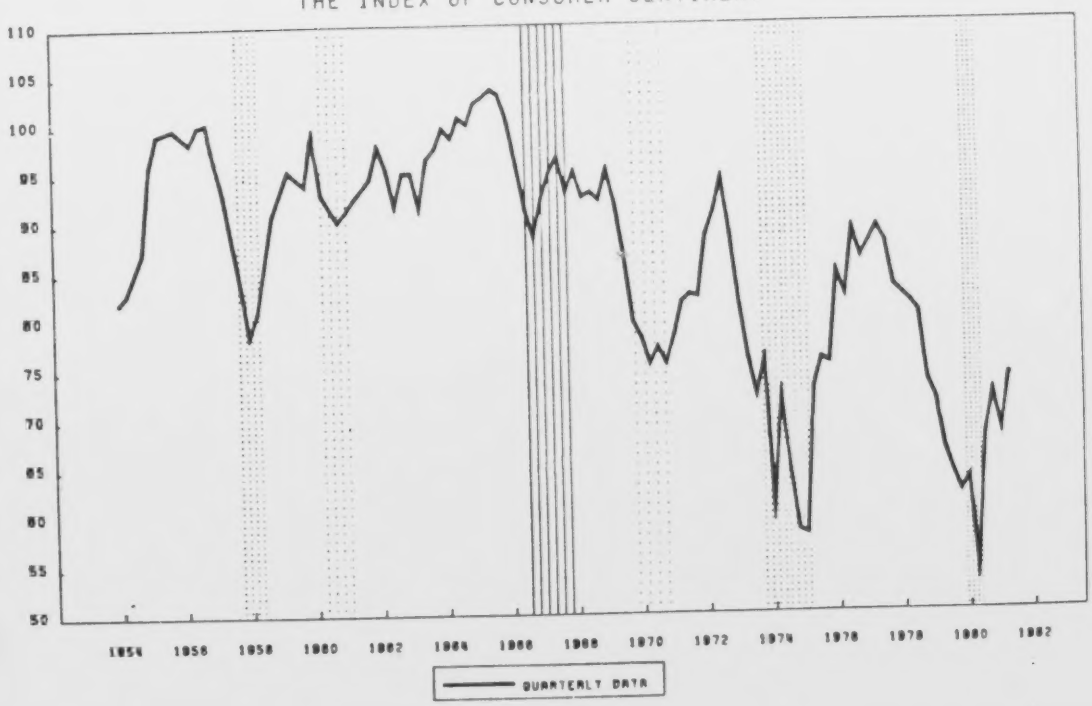

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
Apr.-June 1974	72.1	76.6	
July-Sep. 1974	64.6	63.9	
Oct.-Dec. 1974	58.3	67.9	
Jan.-Mar. 1975	58.3	56.5	
Apr.-June 1975	72.8	74.9	
July-Sep. 1975	76.0	82.1	
Oct.-Dec. 1975	75.3	82.6	
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1
Apr.-June 1981	73.9	79.7	82.0

CHART 2A

THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

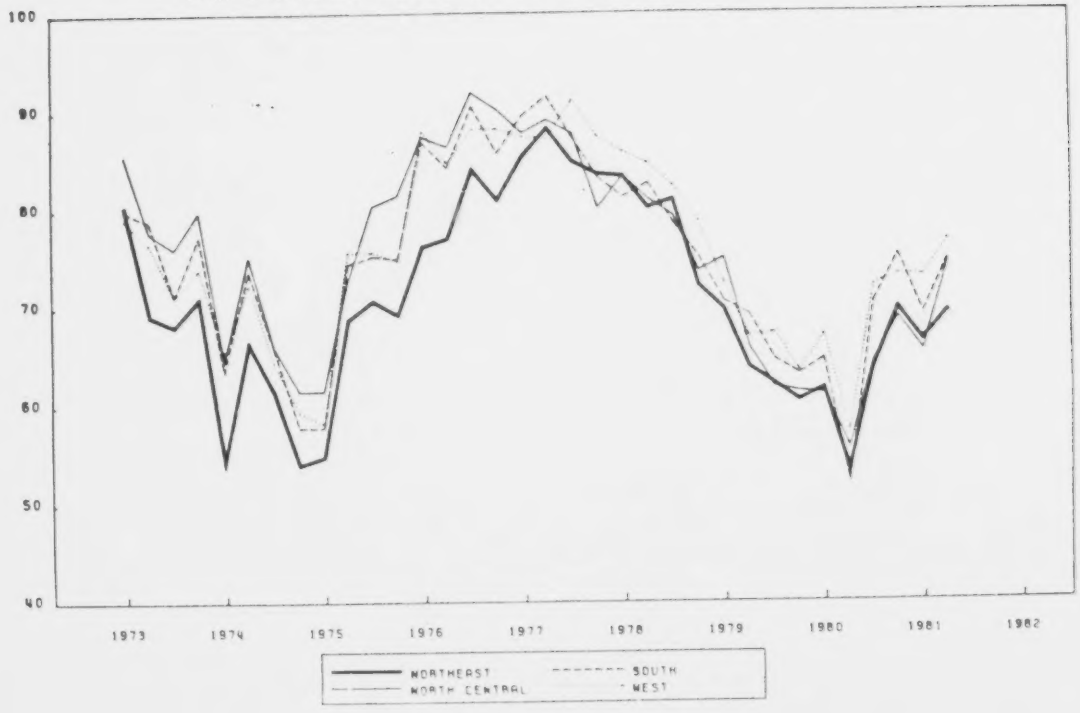

CHART 2B

THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

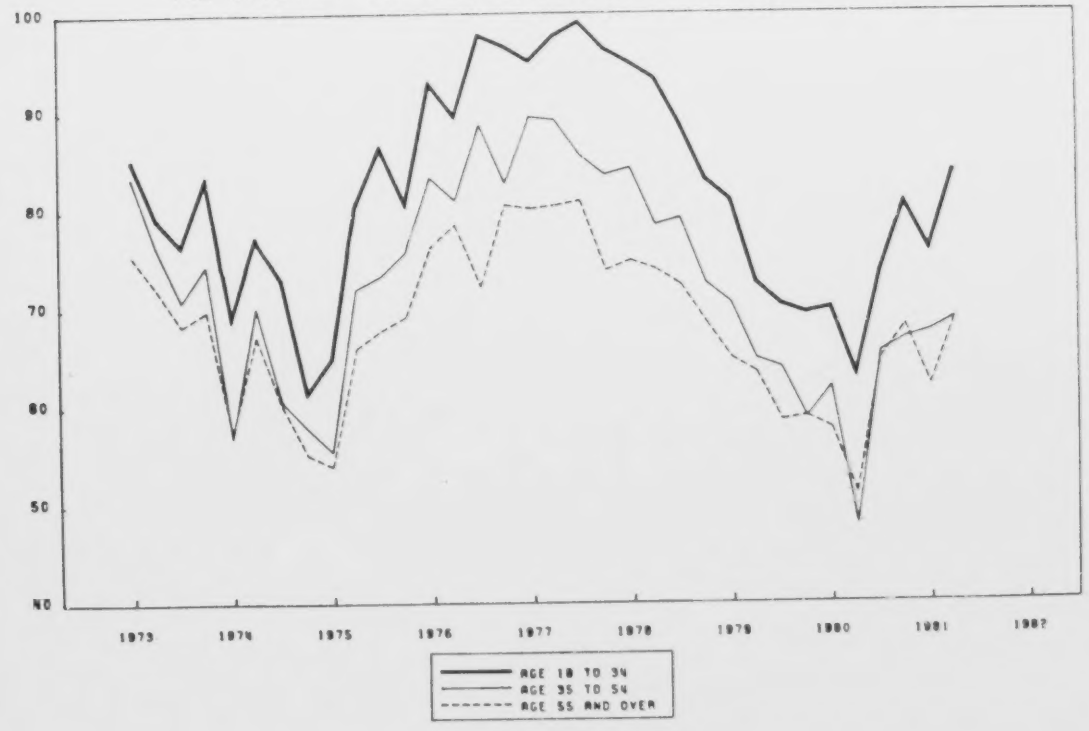

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN RECION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
Apr.-June 1974	65.2	76.4	73.9	71.6	77.1	70.1	67.2
July-Sep. 1974	61.5	66.0	65.9	64.4	73.0	60.6	60.2
Oct.-Dec. 1974	54.0	61.5	57.8	59.4	66.0	58.5	55.2
Jan.-Mar. 1975	54.8	61.5	57.8	58.2	64.9	55.5	54.0
Apr.-June 1975	68.7	72.6	74.5	75.6	80.4	72.0	66.0
July-Sep. 1975	70.6	80.8	75.2	75.6	86.3	73.3	67.8
Oct.-Dec. 1975	68.2	81.3	74.9	74.7	80.6	75.6	69.3
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.8
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0
Apr.-June 1981	69.3	74.4	74.6	76.7	83.6	68.8	68.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

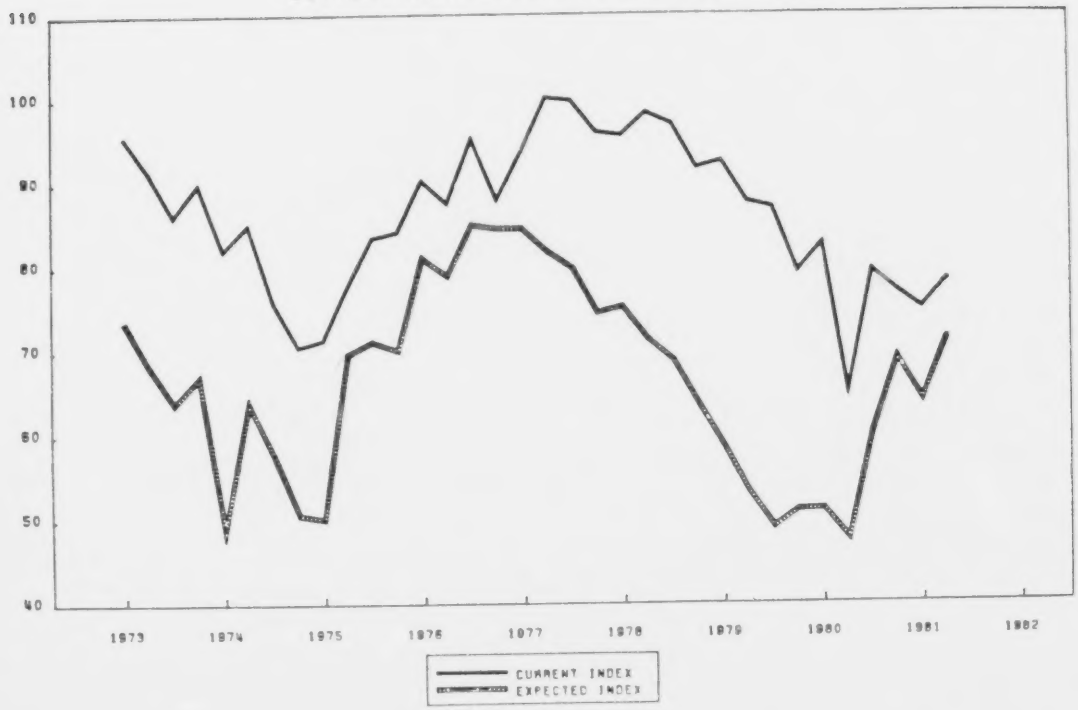

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

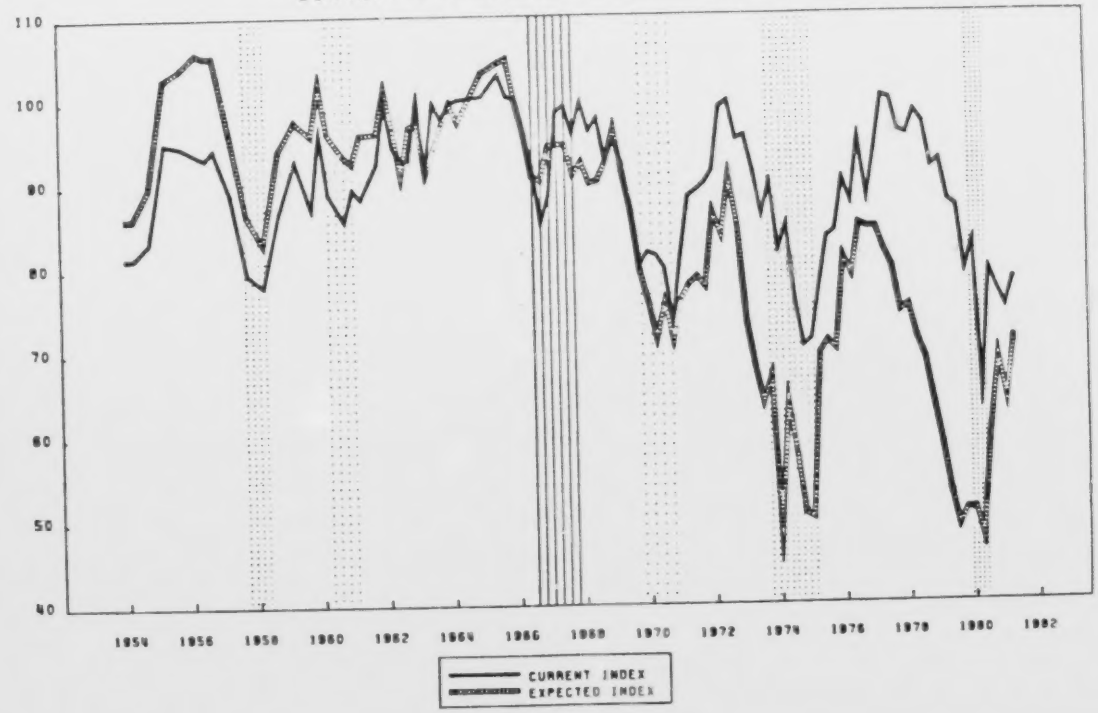

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
Apr.-June 1974	101	113	75	65	116	84.9	63.9
July-Sep. 1974	85	102	63	60	108	75.6	57.5
Oct.-Dec. 1974	84	98	45	53	96	70.6	50.4
Jan.-Mar. 1975	80	103	45	48	100	70.9	50.2
Apr.-June 1975	87	118	92	66	111	77.7	69.7
July-Sep. 1975	93	109	97	76	120	83.4	71.2
Oct.-Dec. 1975	97	119	94	64	116	83.4	70.0
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0
Apr.-June 1981	88	114	89	79	112	78.2	71.2

(1) : SEE TABLE 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

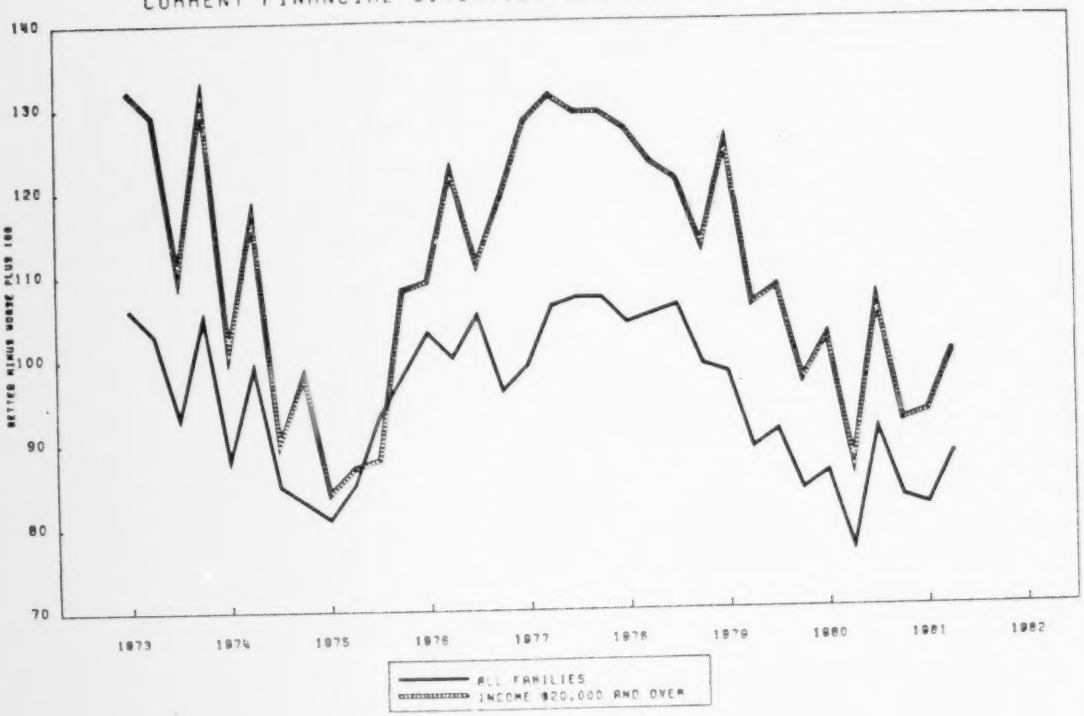

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

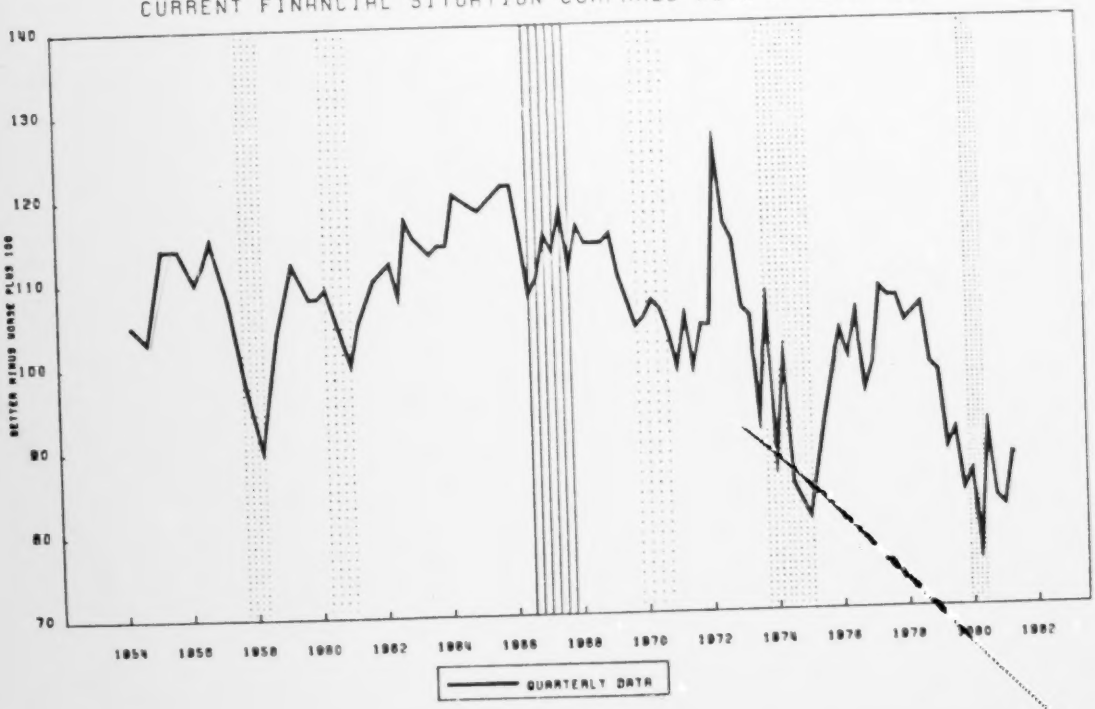

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF	38%	37%	35%	35%	32%	31%	28%	29%	25%	31%	28%	27%	28%
SAME	29	30	29	28	25	28	26	27	26	27	27	28	30
WORSE OFF	32	32	35	37	42	40	45	44	48	40	44	45	41
DK, NA	1	1	1	*	1	1	1	*	1	2	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	47%	47%	43%	50%	40%	41%	36%	39%	31%	38%	34%	34%	36%
SAME	29	27	27	25	25	26	25	24	25	29	23	24	28
WORSE OFF	24	26	29	25	35	33	39	37	44	32	42	41	35
DK, NA	*	*	1	*	*	*	*	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

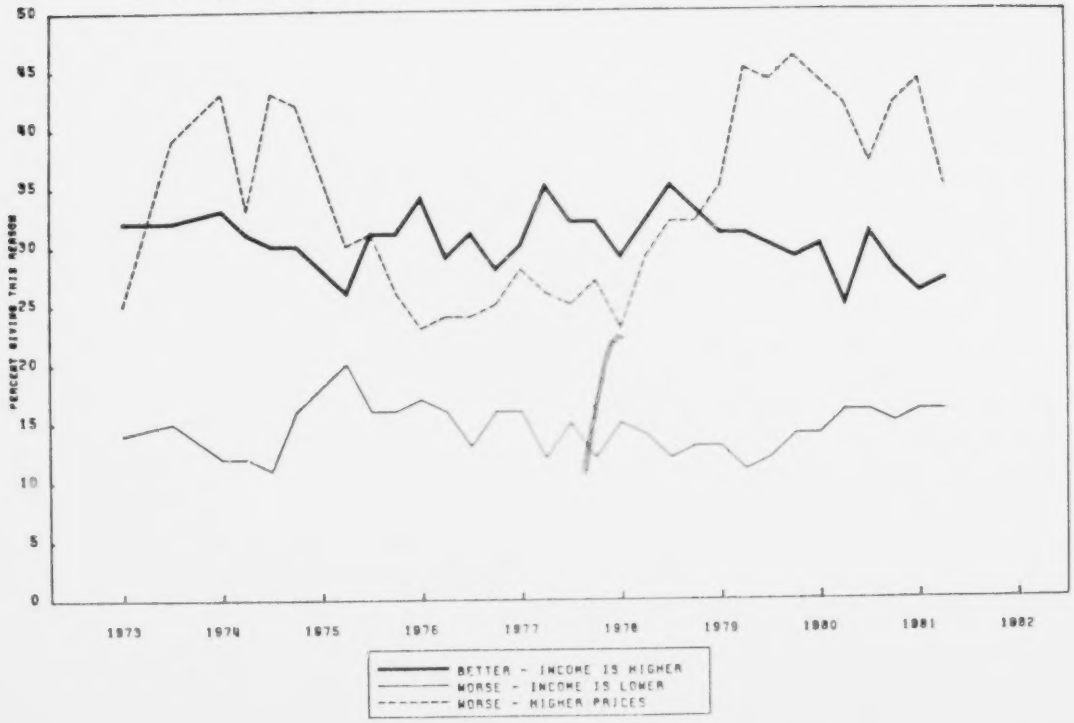

CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

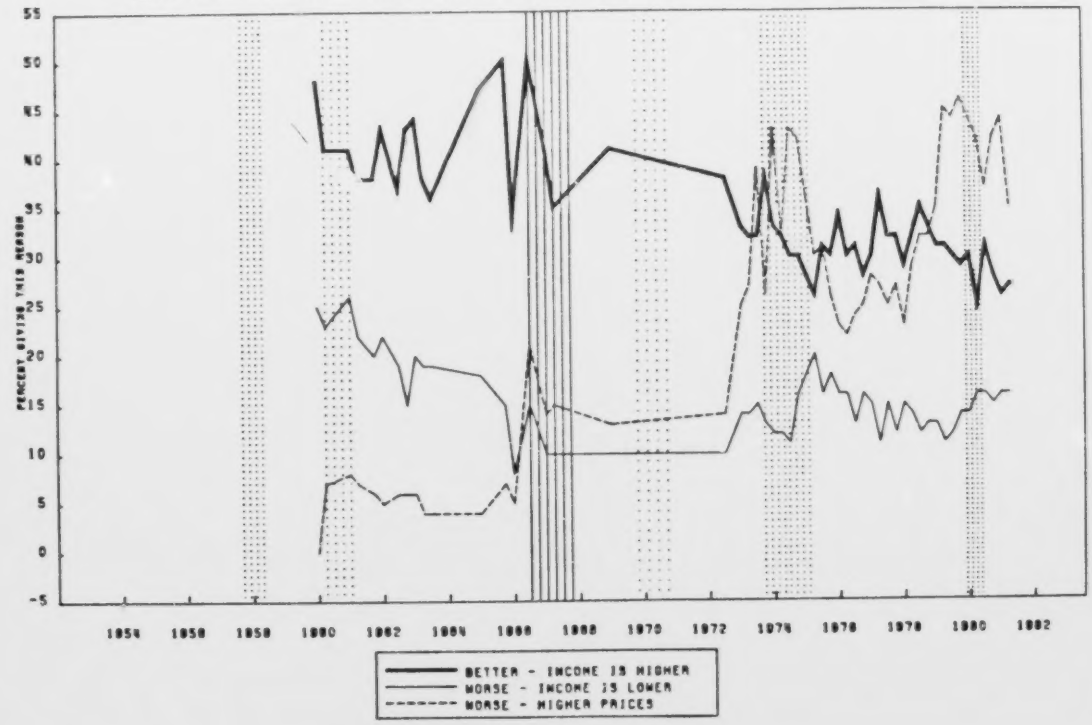

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	35%	33%	31%	31%	30%	29%	30%	25%	31%	28%	26%	27%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	12	13	13	11	12	14	14	16	16	15	16	16
Higher prices	29	32	32	35	45	44	46	44	42	37	42	44	35
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	46%	49%	44%	51%	45%	43%	41%	44%	35%	43%	37%	35%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	10	7	9	8	8	9	10	11	13	12	12	14	13
Higher prices	29	33	33	32	45	41	45	42	42	33	43	42	35

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

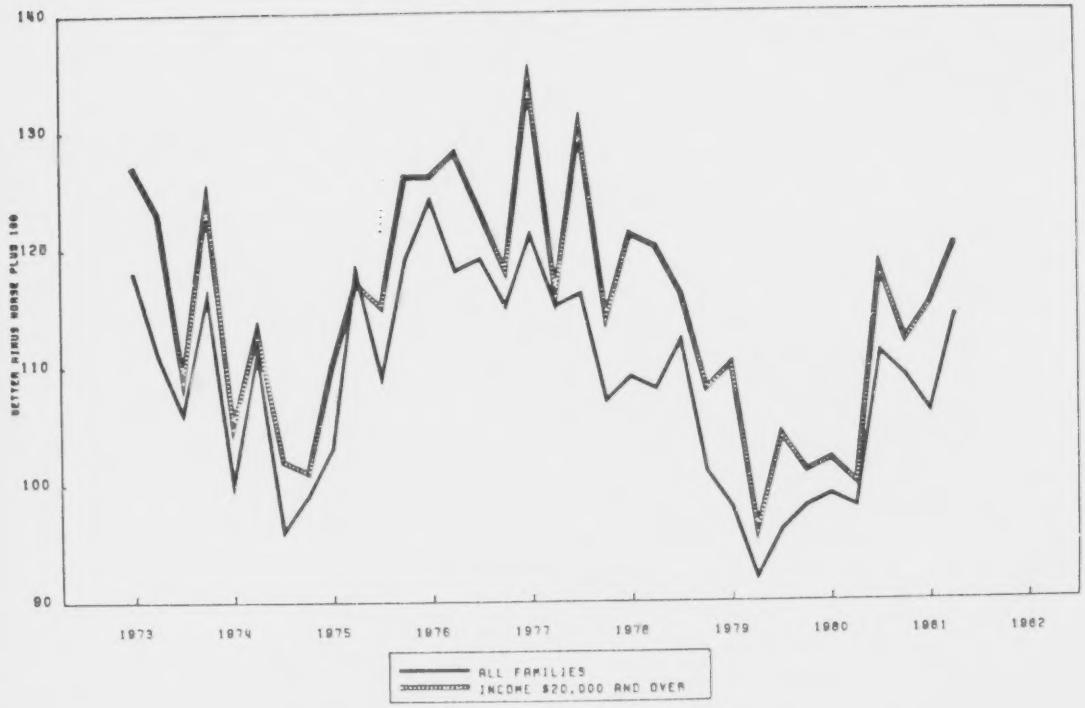

CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

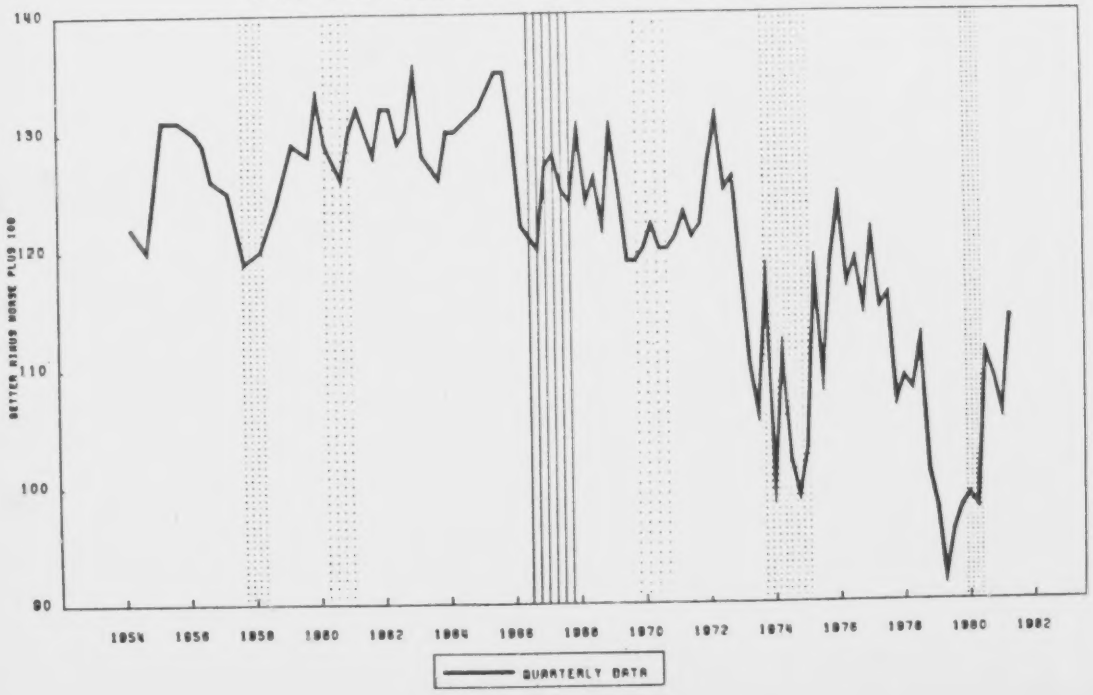

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF	28%	28%	24%	23%	21%	23%	23%	24%	26%	30%	28%	27%	32%
SAME	49	51	46	48	47	48	48	46	43	47	46	47	46
WORSE OFF	20	17	23	25	29	26	26	25	28	19	20	21	18
DK, NA	3	4	7	4	3	3	3	5	3	4	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	37%	34%	30%	30%	25%	27%	26%	25%	26%	35%	32%	32%	37%
SAME	45	46	45	49	45	48	49	50	46	47	46	48	44
WORSE OFF	17	18	22	20	29	23	24	23	26	16	19	18	17
DK, NA	1	2	3	1	1	2	1	2	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

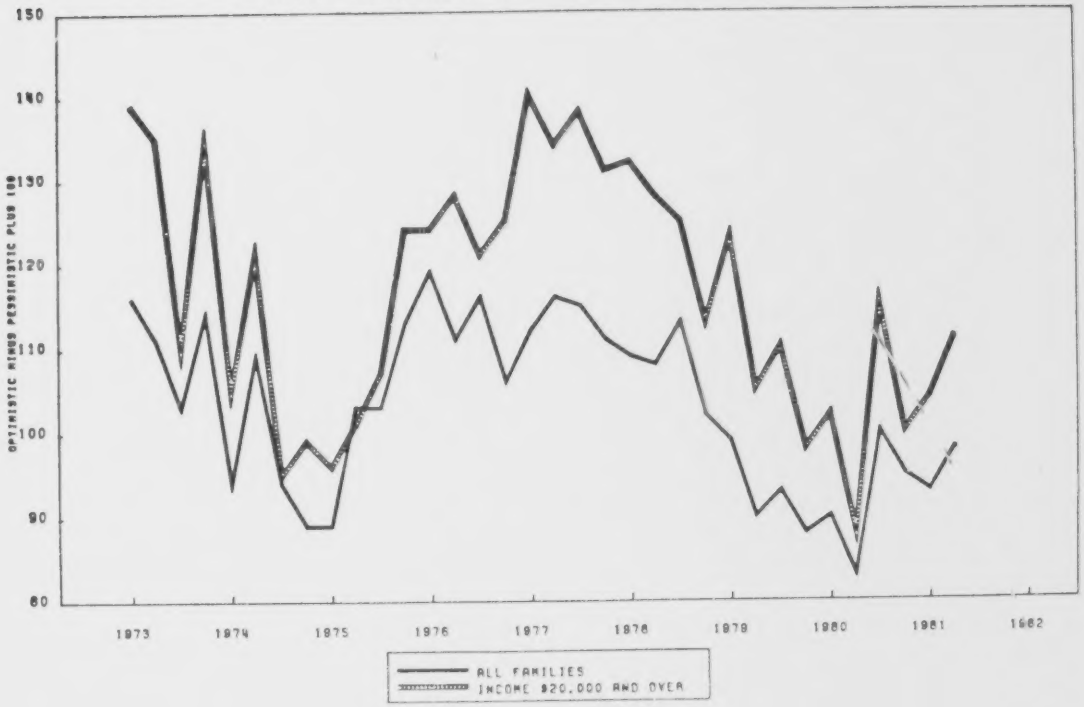

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

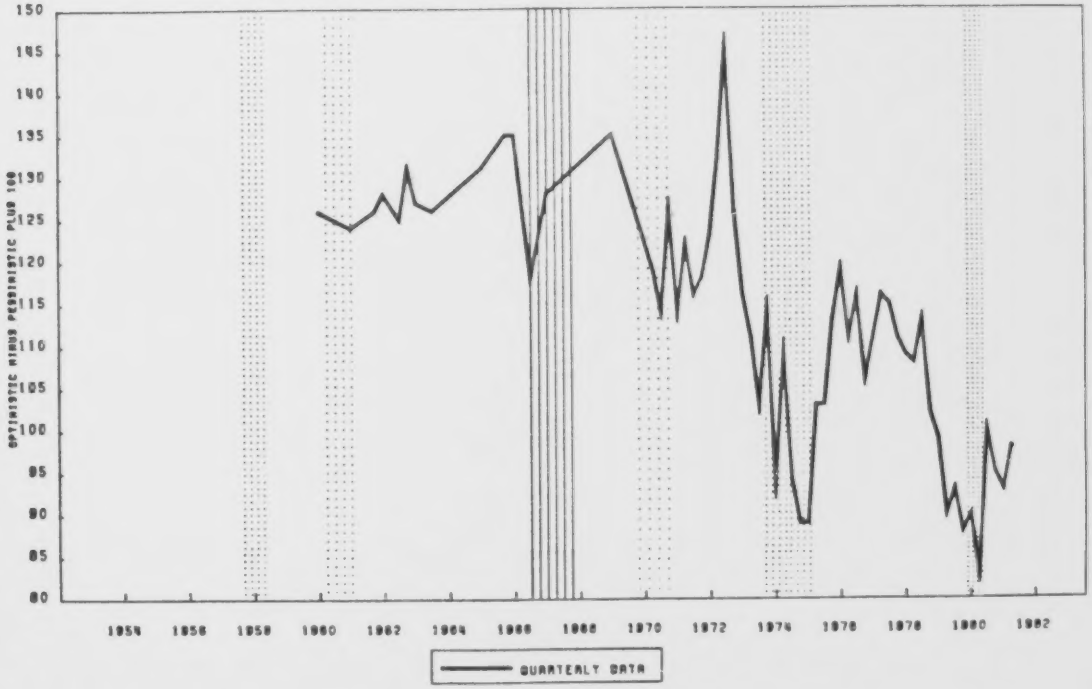

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	16%	16%	14%	14%	11%	12%	11%	12%	10%	13%	11%	10%	13%
Intermittant increase (b)	22	25	20	20	20	20	18	19	16	20	19	19	20
Remain unchanged (c)	18	18	17	17	15	16	15	14	13	15	14	15	15
Intermittant decline (d)	19	18	19	20	22	22	24	24	26	22	24	23	25
Continuous decline (e)	11	10	13	15	19	16	18	16	17	10	12	12	10
Mixed change (f)	11	8	10	9	9	11	11	11	15	15	14	15	13
DK,NA	3	5	7	5	4	3	3	4	3	5	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	24%	23%	20%	22%	16%	16%	13%	15%	12%	16%	15%	13%	18%
Intermittant increase (b)	27	27	24	27	24	26	21	21	17	25	21	23	24
Remain unchanged (c)	16	16	14	15	13	15	15	14	13	16	10	12	14
Intermittant decline (d)	16	13	19	15	19	18	23	22	27	19	25	23	22
Continuous decline (e)	8	12	11	11	16	13	14	14	14	7	11	10	9
Mixed change (f)	8	8	8	8	11	10	12	12	15	15	14	16	11
DK,NA	1	1	4	2	1	2	2	2	2	2	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	8%	5%	5%	6%	5%	5%	5%	6%	5%	6%	7%	7%	6%
5%	9	10	9	10	7	7	8	8	7	9	8	8	9
6-9%	13	11	10	14	15	17	14	14	13	14	12	10	11
10-24%	16	18	14	16	18	19	19	20	24	20	23	20	25
25% or more	8	8	7	7	8	6	6	9	7	5	7	7	7
DK how much up	9	10	11	9	8	8	8	7	8	10	9	9	8
EXPECT SAME	25	26	31	25	26	27	28	24	23	21	22	23	21
EXPECT DOWN	7	9	9	10	9	8	8	10	11	13	9	12	10
DK, NA	5	3	4	3	4	3	4	2	2	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
EXPECT INCREASE:													
1-4%	7%	5%	5%	7%	6%	4%	5%	6%	4%	6%	6%	7%	6%
5%	11	14	10	12	8	9	9	8	10	9	9	10	10
6-9%	16	17	17	22	22	18	22	20	20	19	18	14	15
10-24%	29	27	18	27	23	29	28	26	29	28	29	30	32
25% or more	5	5	9	5	8	8	8	8	6	5	7	6	6
DK how much up	9	5	12	7	6	9	5	6	4	6	7	5	4
EXPECT SAME	16	19	21	13	18	15	17	17	15	12	13	16	16
EXPECT DOWN	7	8	7	6	8	7	5	8	12	13	10	11	10
DK, NA	*	*	1	1	1	1	1	1	*	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9

INCOME OR PRICES UP DURING THE LAST YEAR

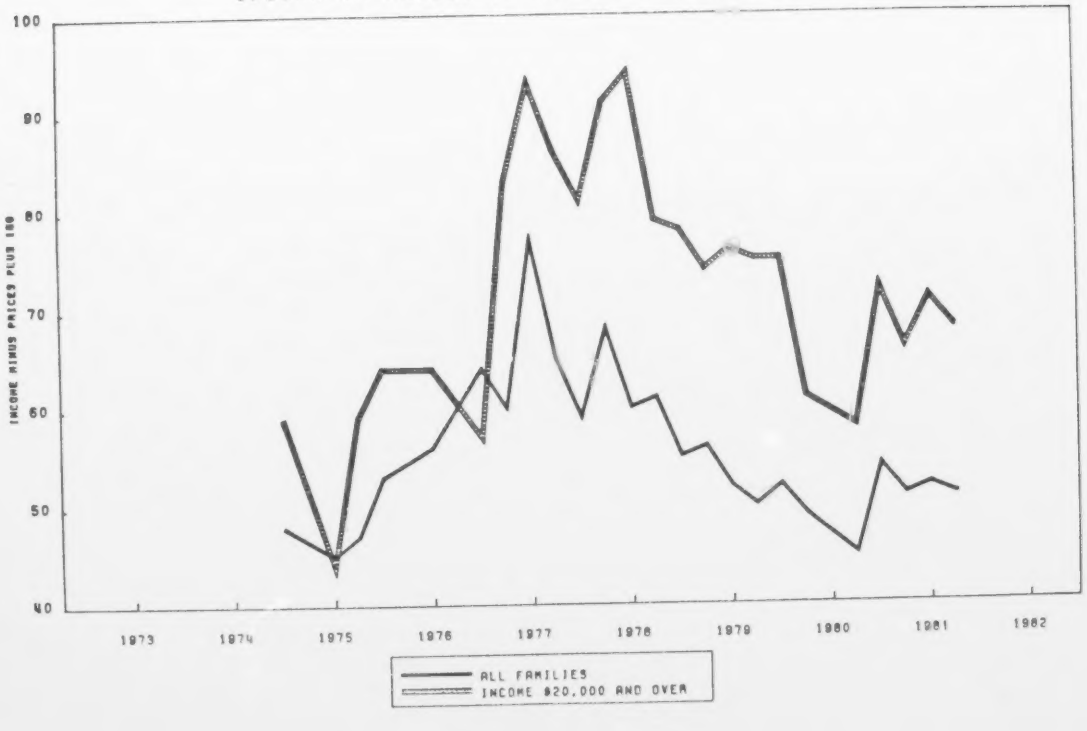

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
INCOME UP MORE	15%	13%	11%	11%	11%	12%	12%	13%	10%	12%	12%	12%	11%
INCOME UP SAME	27	29	31	27	25	25	23	27	23	28	26	26	27
PRICES UP MORE	54	56	55	59	61	61	63	59	65	59	60	60	61
DK, NA	4	2	3	3	3	2	2	1	2	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	22%	21%	18%	22%	22%	22%	16%	17%	16%	20%	16%	20%	17%
INCOME UP SAME	34	36	37	30	30	31	28	34	27	31	32	30	33
PRICES UP MORE	43	43	44	46	47	47	55	48	57	48	51	50	49
DK, NA	1	*	1	2	1	*	1	1	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10

INCOME OR PRICES UP DURING THE NEXT YEAR

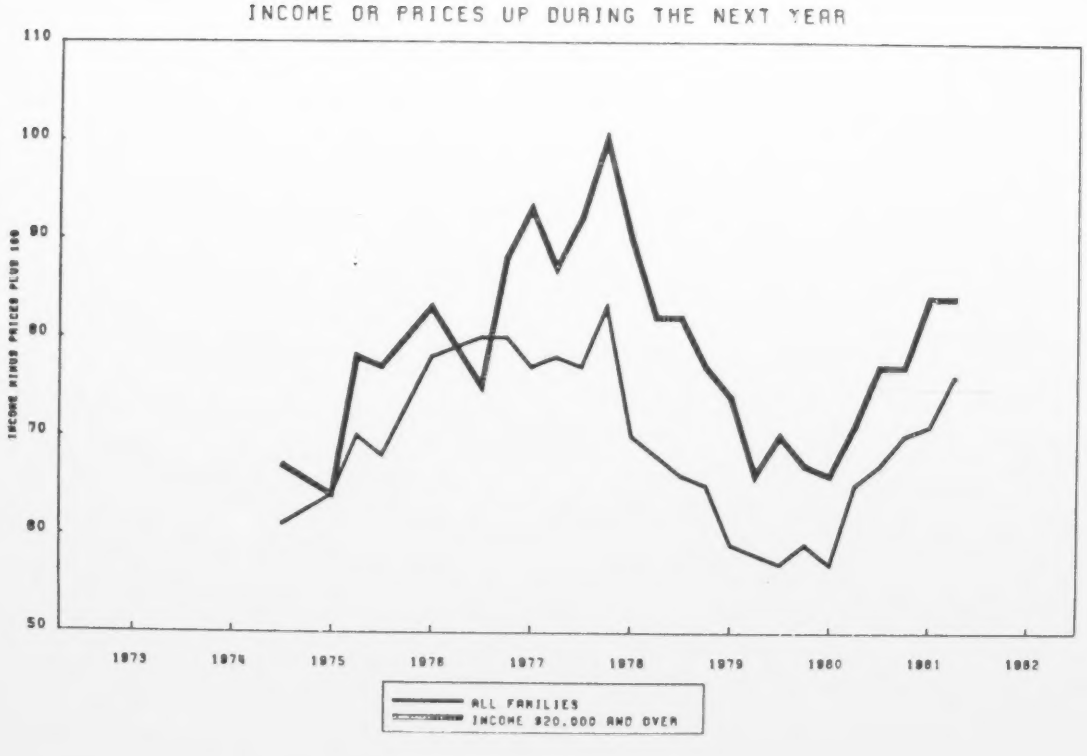

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
INCOME UP MORE	12%	11%	11%	10%	10%	11%	10%	10%	13%	12%	14%	13%	16%
INCOME UP SAME	39	39	37	35	33	33	35	34	37	39	40	40	41
PRICES UP MORE	44	47	47	51	52	52	51	53	47	45	43	42	40
DK, NA	5	3	5	4	5	4	4	3	3	4	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	19%	21%	17%	18%	15%	16%	14%	15%	15%	18%	16%	19%	19%
INCOME UP SAME	42	40	41	37	35	37	39	36	41	39	43	43	45
PRICES UP MORE	37	38	40	44	49	46	46	48	43	41	39	36	35
DK, NA	2	1	2	1	1	1	1	1	1	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	8%	5%	5%	4%	4%	4%	4%	7%	4%	4%	6%	6%	5%
Intermittant increase (b)	8	10	7	7	7	8	8	8	9	10	8	9	9
Remain unchanged (c)	17	18	19	18	15	15	14	16	13	16	16	16	17
Intermittant decline (d)	20	20	21	18	21	20	22	19	24	22	25	24	25
Continuous decline (e)	36	35	35	41	39	41	42	42	40	37	35	35	34
Mixed change (f)	4	6	5	6	7	7	6	6	6	6	6	5	7
DK, NA	7	6	8	6	7	5	4	2	4	5	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	13%	9%	9%	11%	9%	9%	7%	10%	7%	9%	9%	11%	9%
Intermittant increase (b)	10	14	12	12	11	14	10	9	10	15	8	12	14
Remain unchanged (c)	24	24	25	20	19	20	18	22	16	17	20	19	21
Intermittant decline (d)	17	15	18	17	17	18	22	18	25	20	25	22	22
Continuous decline (e)	30	29	31	31	34	32	34	34	34	31	29	28	28
Mixed change (f)	4	8	3	7	7	6	8	6	7	6	6	6	5
DK, NA	2	1	2	2	3	1	1	1	1	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

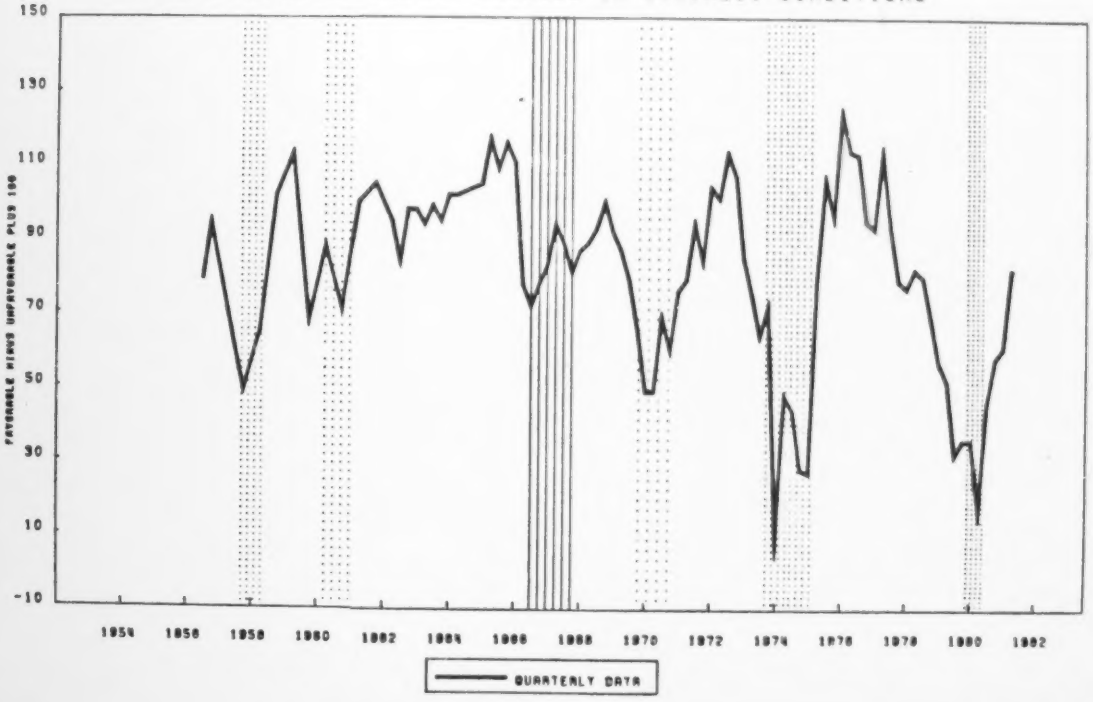

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
FAVORABLE NEWS	25%	22%	18%	16%	16%	12%	12%	14%	12%	24%	24%	24%	28%
UNFAVORABLE NEWS	43	42	49	59	64	80	76	78	94	79	66	63	46
NO MENTIONS	48	50	50	45	42	38	42	40	31	34	41	42	49
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	35%	30%	20%	22%	22%	15%	16%	15%	15%	31%	29%	34%	43%
UNFAVORABLE NEWS	54	55	65	78	79	100%	97	94	108	89	82	78	52
NO MENTIONS	36	37	39	31	30	26	29	31	23	26	30	30	36

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	2%	3%	3%	1%	1%	1%	1%	1%	1%	1%	4%	7%	5%
Employment	9	8	7	6	6	5	4	5	2	6	7	6	6
Higher consumer demand	2	2	2	2	1	1	1	1	1	2	2	1	3
Lower prices	*	1	*	1	1	*	1	1	1	1	1	1	2
Easier credit	*	*	*	*	*	*	*	1	4	7	1	3	3
UNFAVORABLE NEWS:													
Government; elections	4	5	3	5	3	3	3	3	3	3	3	5	5
Unemployment	9	10	10	11	12	18	18	17	37	33	22	18	16
Lower consumer demand	2	1	2	3	3	7	8	9	9	11	9	11	5
Higher prices	10	10	11	15	18	18	13	16	12	12	9	9	5
Tighter credit	3	4	7	6	3	5	14	13	16	6	13	8	7
Energy crisis	*	1	1	4	11	10	4	3	1	1	1	1	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	1%	2%	4%	3%	2%	1%	1%	1%	2%	1%	5%	12%	9%
Employment	13	12	7	7	8	6	5	5	3	6	9	8	9
Higher consumer demand	4	2	2	2	2	1	1	1	*	2	2	2	3
Lower prices	*	2	1	1	*	*	1	1	1	1	1	1	3
Easier credit	1	1	*	*	1	*	1	1	7	11	2	3	6
UNFAVORABLE NEWS:													
Government; elections	5	5	4	7	4	3	4	3	3	4	3	6	4
Unemployment	9	8	11	12	12	19	20	21	39	38	26	19	16
Lower consumer demand	2	1	2	3	4	10	10	12	12	13	11	13	7
Higher prices	14	12	13	20	22	21	15	18	12	9	9	10	6
Tighter credit	6	9	11	11	6	8	22	18	23	8	19	15	10
Energy crisis	*	2	1	7	14	12	5	3	1	1	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

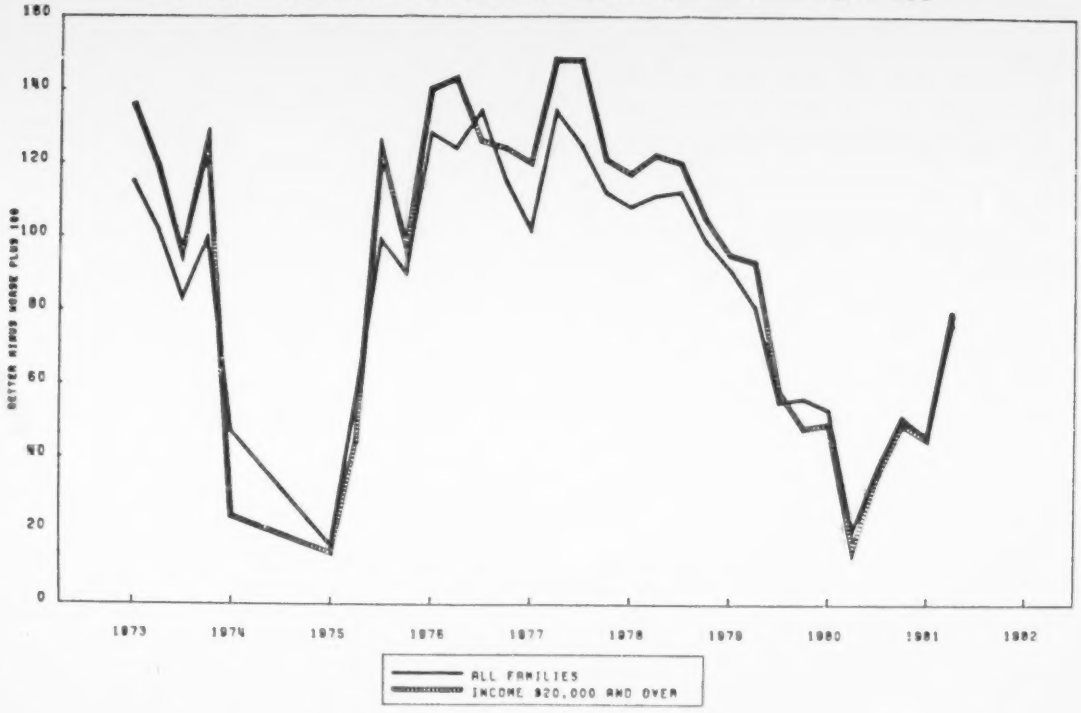

CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

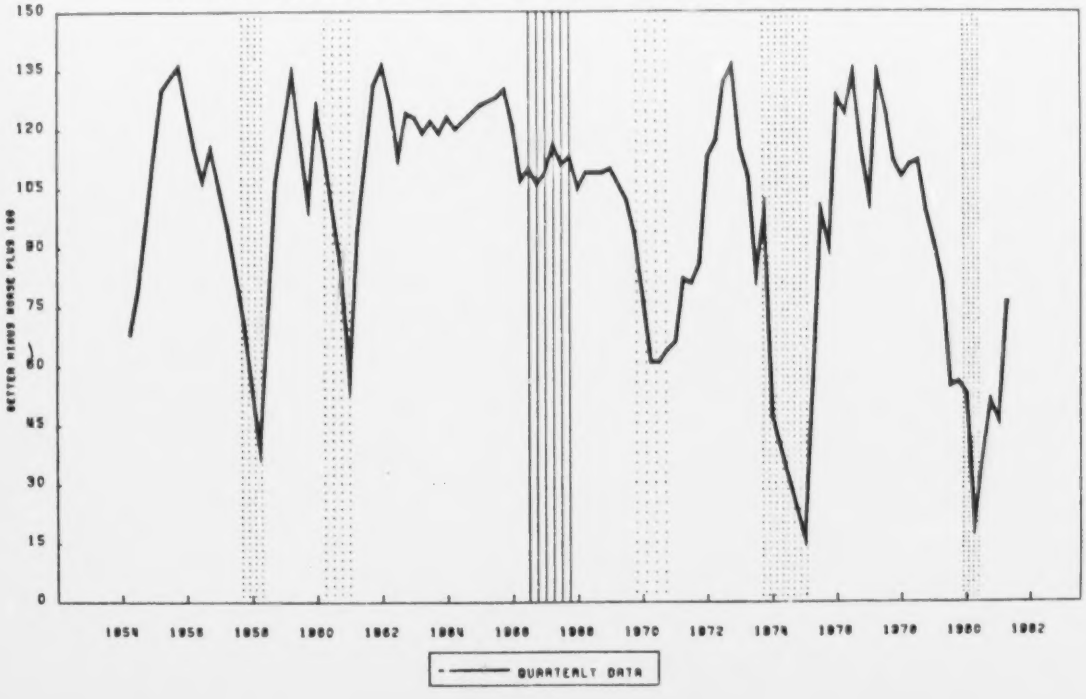

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER NOW	46%	46%	38%	36%	32%	21%	20%	19%	7%	15%	19%	15%	28%
SAME	16	15	19	15	14	10	12	12	6	7	11	14	17
WORSE NOW	35	35	39	45	50	66	65	66	86	77	67	69	53
DK, NA	3	4	4	4	4	3	3	3	1	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER NOW	53%	52%	44%	39%	39%	23%	19%	18%	4%	14%	18%	16%	31%
SAME	15	13	15	15	13	9	10	12	5	5	11	12	16
WORSE NOW	31	33	39	45	46	66	70	69	90	80	70	71	52
DK, NA	1	2	2	1	2	2	1	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

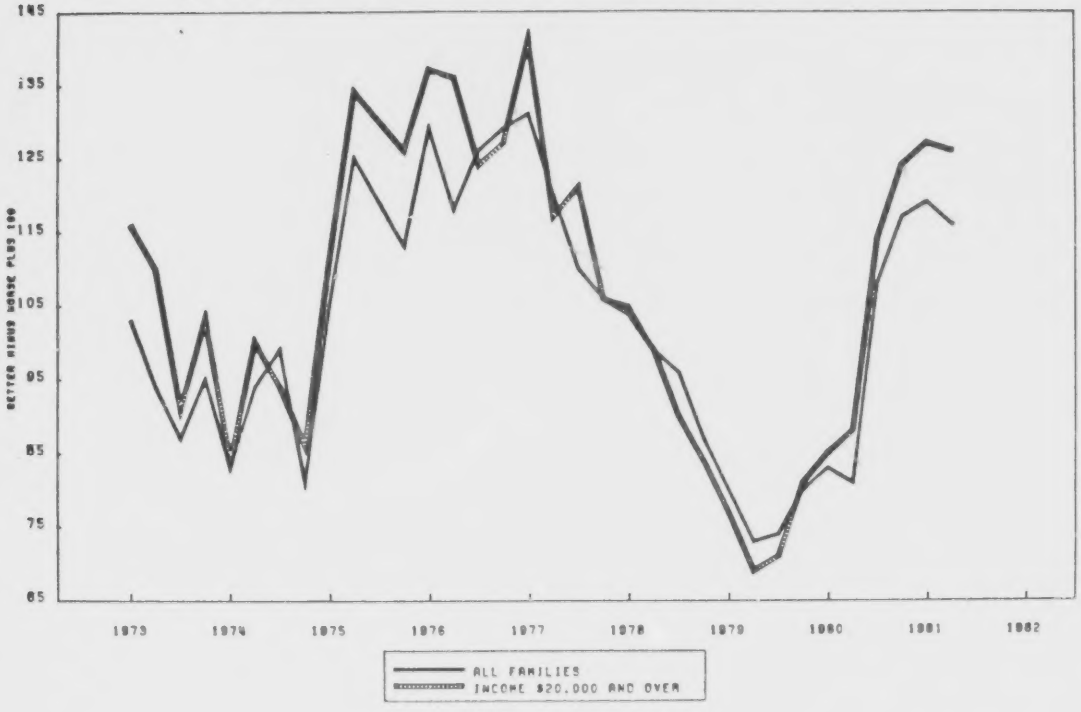

CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

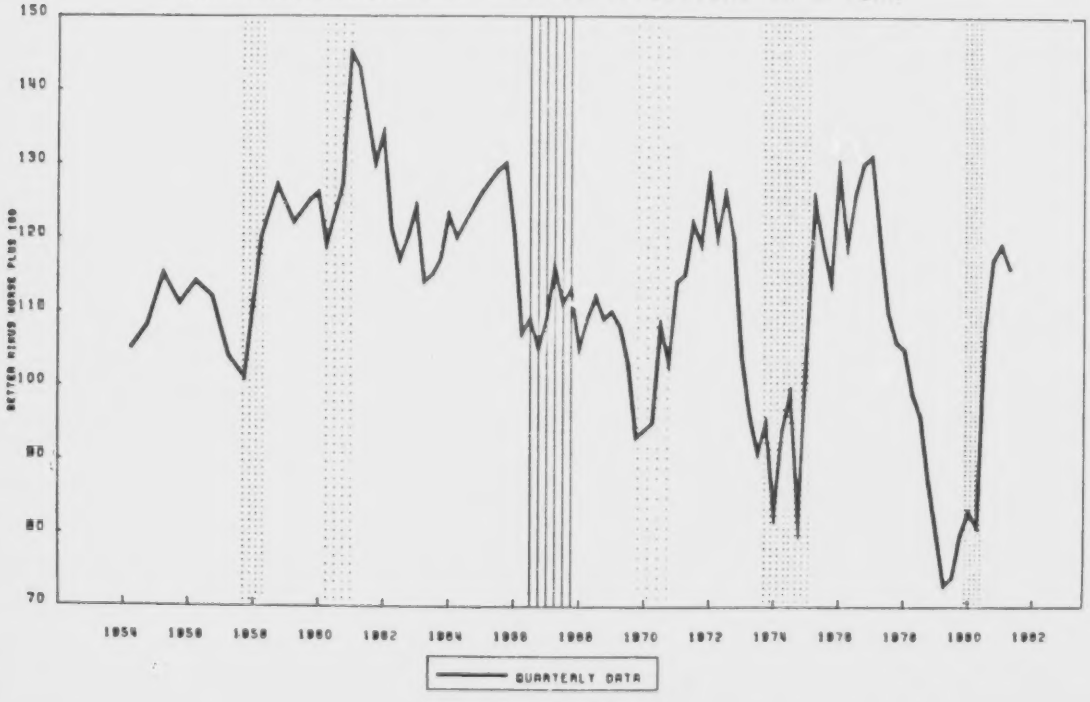

TABLE 12

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER	21%	19%	17%	14%	11%	13%	15%	17%	20%	29%	34%	37%	36%
SAME	54	55	49	48	46	43	46	45	37	45	44	42	42
WORSE	22	23	29	34	39	39	36	35	39	22	17	18	20
DK,NA	3	3	5	4	4	3	3	3	4	4	5	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	22%	19%	18%	15%	13%	15%	18%	19%	24%	34%	40%	42%	41%
SAME	53	51	44	45	43	39	43	45	38	44	41	40	42
WORSE	23	29	34	38	43	45	38	35	36	20	16	15	16
DK,NA	2	1	4	2	1	1	1	1	2	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	5%	7%	6%	5%	4%	6%	9%	11%	10%	15%	26%	33%	27%
Employment	8	4	4	4	3	2	2	4	2	4	4	3	4
Higher consumer demand	3	4	3	3	4	3	2	3	2	3	3	2	2
Lower prices	1	2	3	2	1	1	2	1	3	2	3	2	2
Easier credit	*	*	*	1	1	*	2	1	3	3	2	3	3
UNFAVORABLE REASONS:													
Government; elections	8	13	8	12	9	9	8	13	10	9	9	8	9
Unemployment	6	7	5	5	5	9	9	5	12	8	6	6	6
Lower consumer demand	3	4	4	4	5	7	7	7	5	5	3	4	4
Higher prices	18	20	21	22	27	24	23	16	16	11	9	9	8
Tighter credit	1	2	4	2	3	2	7	3	7	2	4	3	3
Energy crisis	2	1	1	4	14	8	6	6	2	1	1	1	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	5%	7%	6%	7%	4%	7%	12%	15%	11%	17%	31%	38%	33%
Employment	9	5	2	3	2	3	1	4	3	5	5	3	4
Higher consumer demand	4	5	3	4	3	2	3	5	2	4	5	3	3
Lower prices	1	2	3	2	1	2	2	2	4	2	3	3	3
Easier credit	1	1	1	2	1	*	4	3	6	3	4	5	5
UNFAVORABLE REASONS:													
Government; elections	14	15	11	12	10	11	10	13	8	9	8	8	8
Unemployment	5	8	4	5	4	9	9	4	11	7	4	4	5
Higher consumer demand	3	5	4	5	5	7	7	6	5	6	4	5	3
Higher prices	24	18	21	27	31	27	28	21	15	10	10	7	7
Tighter credit	2	2	6	4	3	2	11	3	9	3	5	4	4
Energy crisis	1	1	1	6	16	12	6	5	3	1	1	2	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

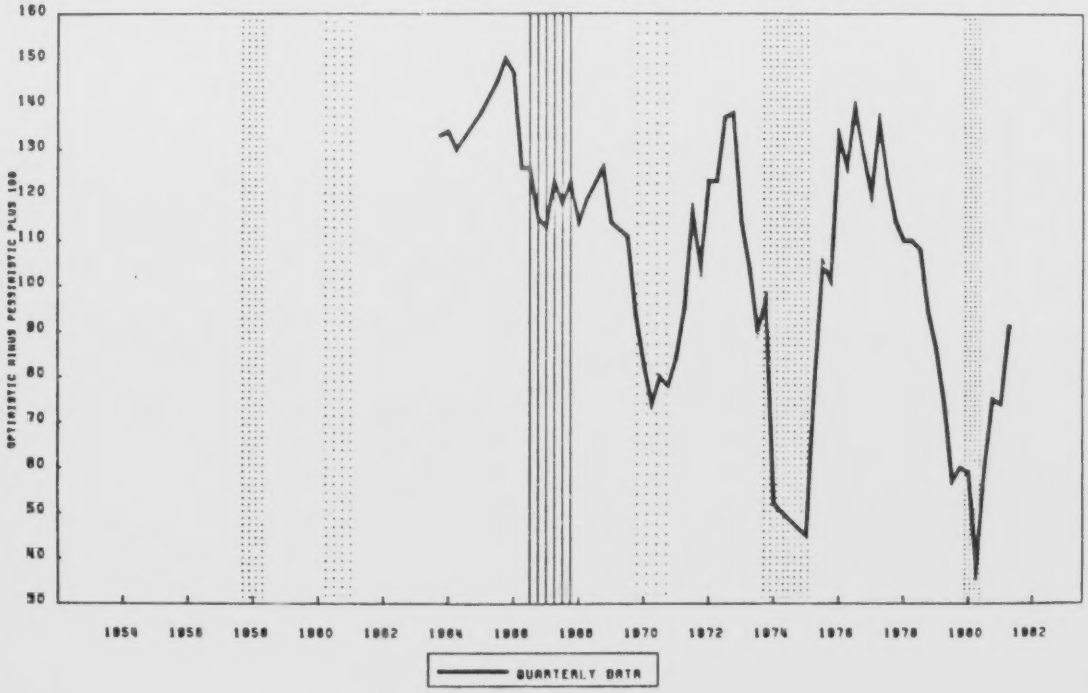

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	14%	14%	10%	8%	7%	4%	5%	6%	2%	5%	8%	7%	16%
Intermittant increase (b)	29	27	23	21	16	13	12	10	5	9	12	12	15
Remain unchanged (c)	10	10	10	9	9	5	7	7	2	3	5	7	9
Intermittant decline (d)	19	20	21	21	25	29	30	31	33	35	31	30	26
Continuous decline (e)	13	13	18	22	24	31	28	26	36	19	14	15	14
Mixed change (f)	10	10	10	12	13	13	13	15	18	24	23	24	16
DK, NA	5	6	8	7	6	5	5	5	4	5	7	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	16%	15%	11%	8%	8%	5%	5%	5%	2%	6%	10%	9%	18%
Intermittant increase (b)	31	28	24	22	20	14	12	11	3	8	12	11	17
Remain unchanged (c)	10	9	8	8	7	3	5	7	2	2	5	5	8
Intermittant decline (d)	17	17	17	21	21	26	31	31	35	35	29	31	26
Continuous decline (e)	13	16	20	23	25	34	30	27	34	18	14	13	11
Mixed change (f)	10	13	14	15	16	15	15	16	22	28	26	28	18
DK, NA	3	2	6	3	3	3	2	3	2	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

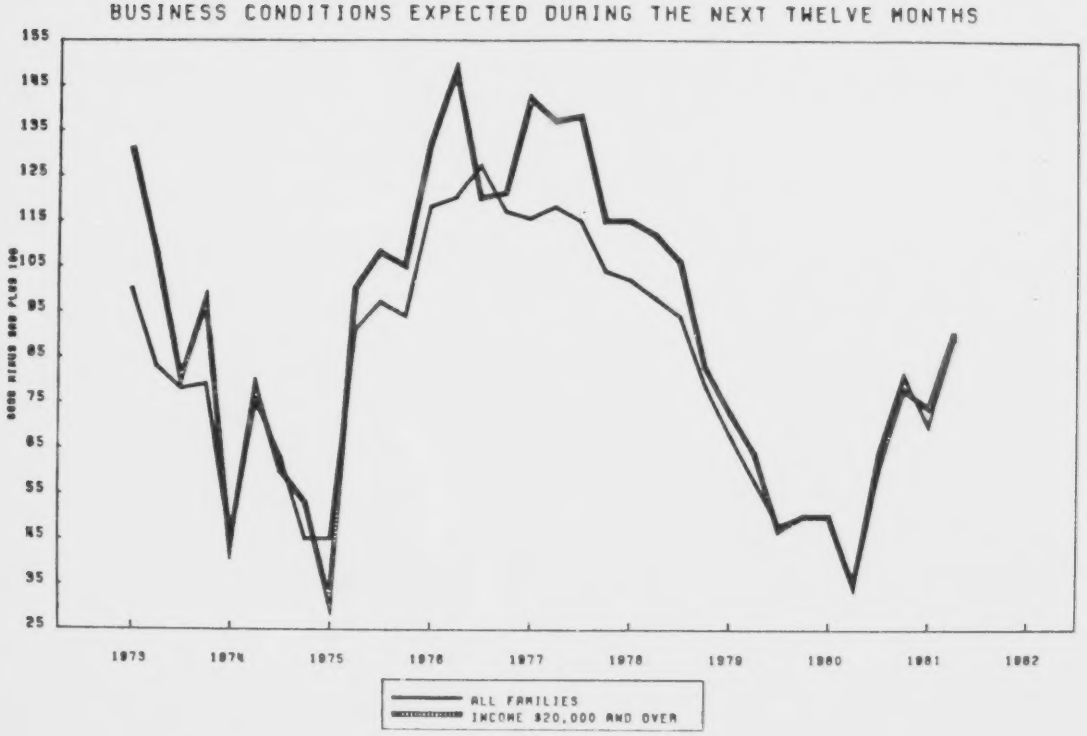

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

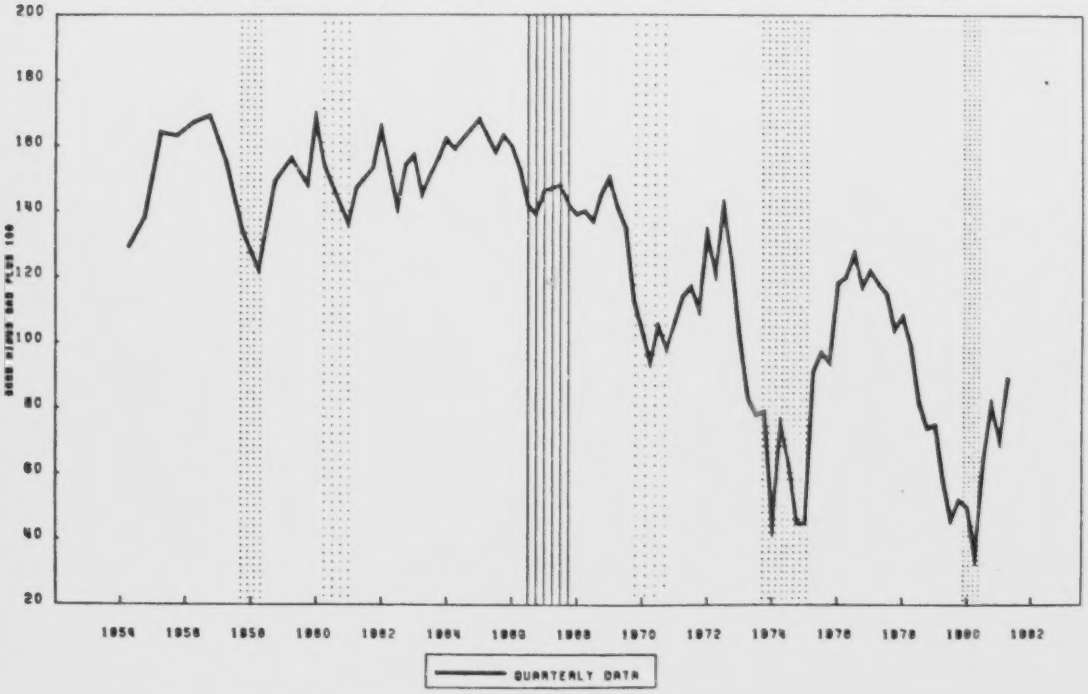

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIMES	42%	39%	29%	25%	22%	18%	19%	20%	14%	26%	32%	28%	39%
UNCERTAIN; GOOD & BAD	5	6	8	6	4	2	2	1	1	2	2	3	3
BAD TIMES	43	45	50	57	63	69	69	70	78	63	52	58	51
DON'T KNOW	6	6	9	7	5	5	4	4	4	6	8	7	5
NOT ASCERTAINED	4	4	4	5	6	6	6	5	3	3	6	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	49%	47%	33%	30%	26%	19%	20%	21%	15%	28%	33%	33%	41%
UNCERTAIN; GOOD & BAD	7	7	9	6	4	2	2	1	2	2	2	2	3
BAD TIMES	37	42	51	58	63	72	70	71	80	66	55	59	51
DON'T KNOW	3	2	4	3	2	2	2	3	1	2	5	2	3
NOT ASCERTAINED	4	2	3	3	5	5	6	4	2	2	5	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

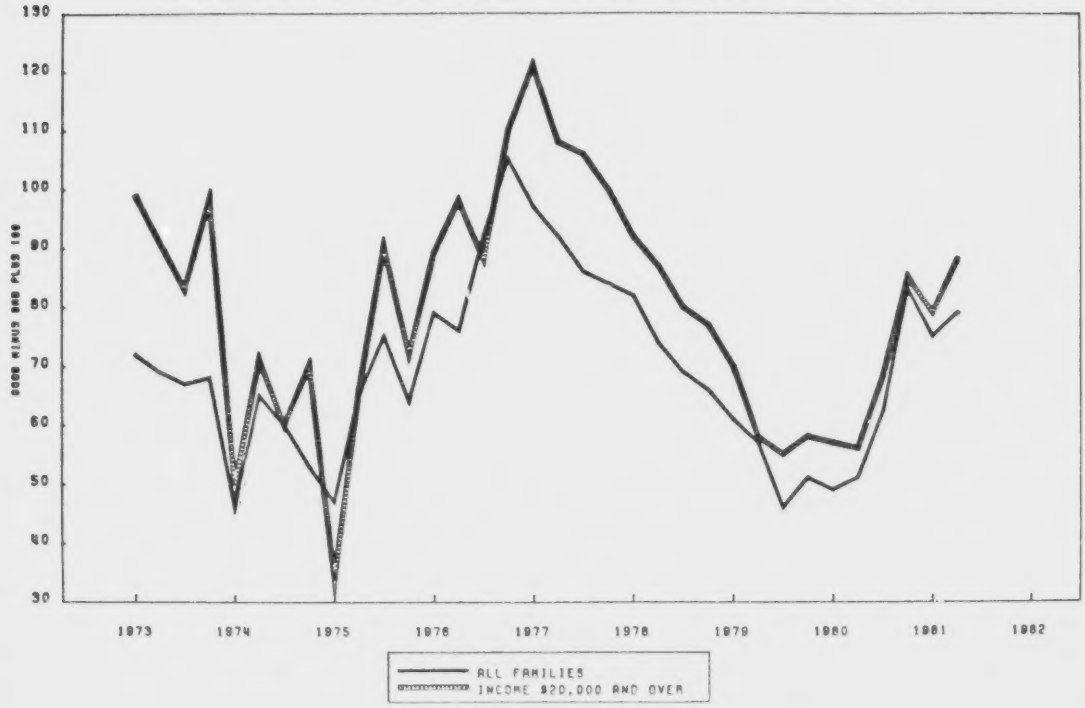

CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

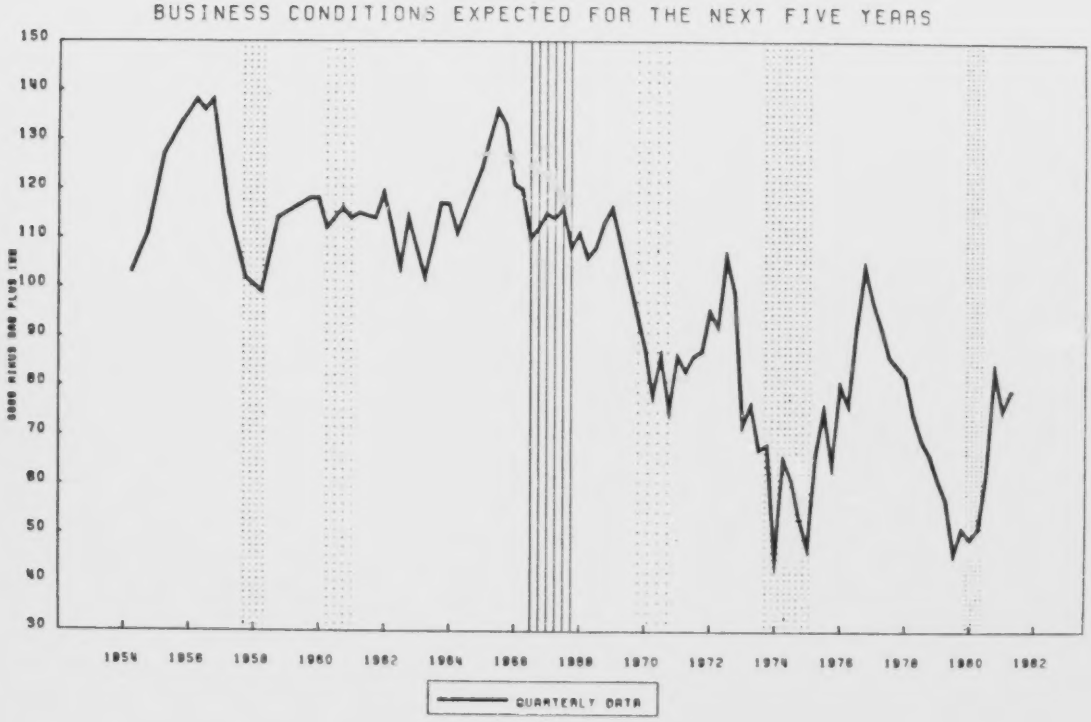

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIMES	24%	23%	18%	19%	17%	13%	16%	17%	17%	21%	29%	28%	32%
UNCERTAIN; GOOD & BAD	16	17	20	16	15	15	14	11	12	14	17	14	11
BAD TIMES	51	54	52	58	60	67	65	68	66	59	46	53	53
NOT ASCERTAINED	9	6	10	7	8	5	5	4	5	6	8	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	32%	29%	23%	24%	18%	16%	20%	21%	19%	25%	31%	30%	36%
UNCERTAIN; GOOD & BAD	17	18	21	18	15	17	13	10	12	13	16	14	12
BAD TIMES	44	49	46	55	60	62	62	65	63	57	46	50	48
NOT ASCERTAINED	7	4	10	3	7	5	5	4	6	5	7	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

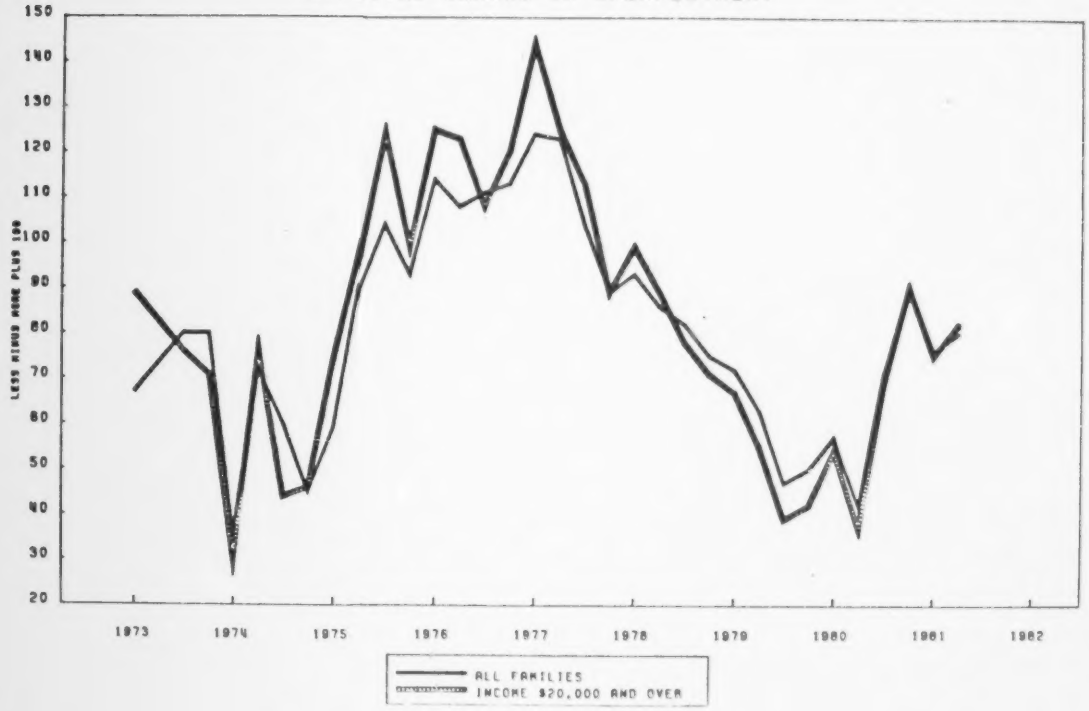

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

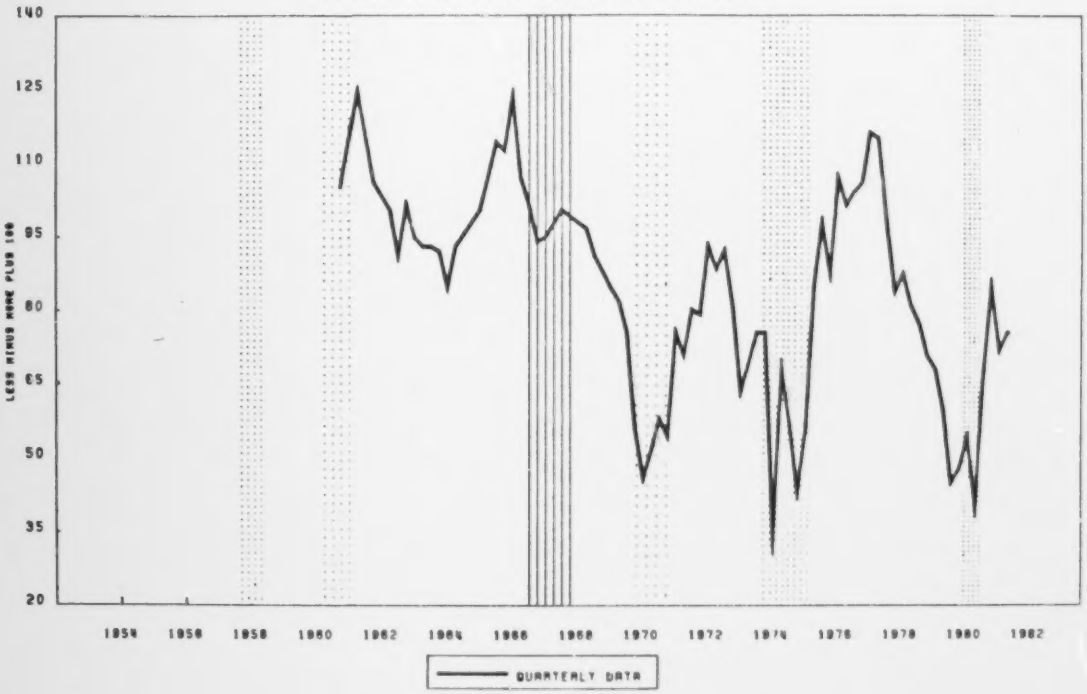

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
LESS	16%	14%	12%	11%	8%	6%	7%	10%	7%	17%	21%	16%	17%
SAME	51	51	47	47	42	32	34	36	26	35	45	42	44
MORE	30	32	37	39	46	60	57	52	66	46	31	40	37
DK, NA	3	3	4	3	4	2	2	2	1	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	16%	13%	9%	9%	5%	5%	4%	9%	7%	16%	21%	16%	18%
SAME	56	51	51	48	42	29	32	36	24	36	47	42	45
MORE	27	35	38	42	51	65	63	54	69	48	31	41	36
DK, NA	1	1	2	1	2	1	1	1	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES

EXPECTED CHANGE IN INTEREST RATES

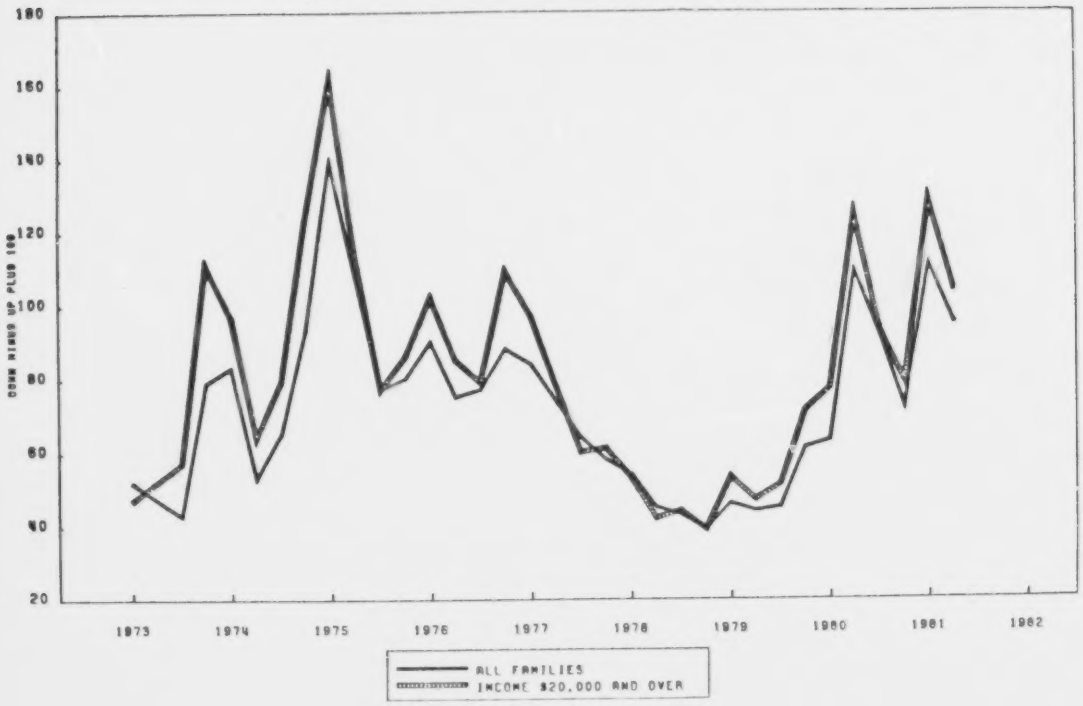

CHART 21 - HISTORICAL SERIES

EXPECTED CHANGE IN INTEREST RATES

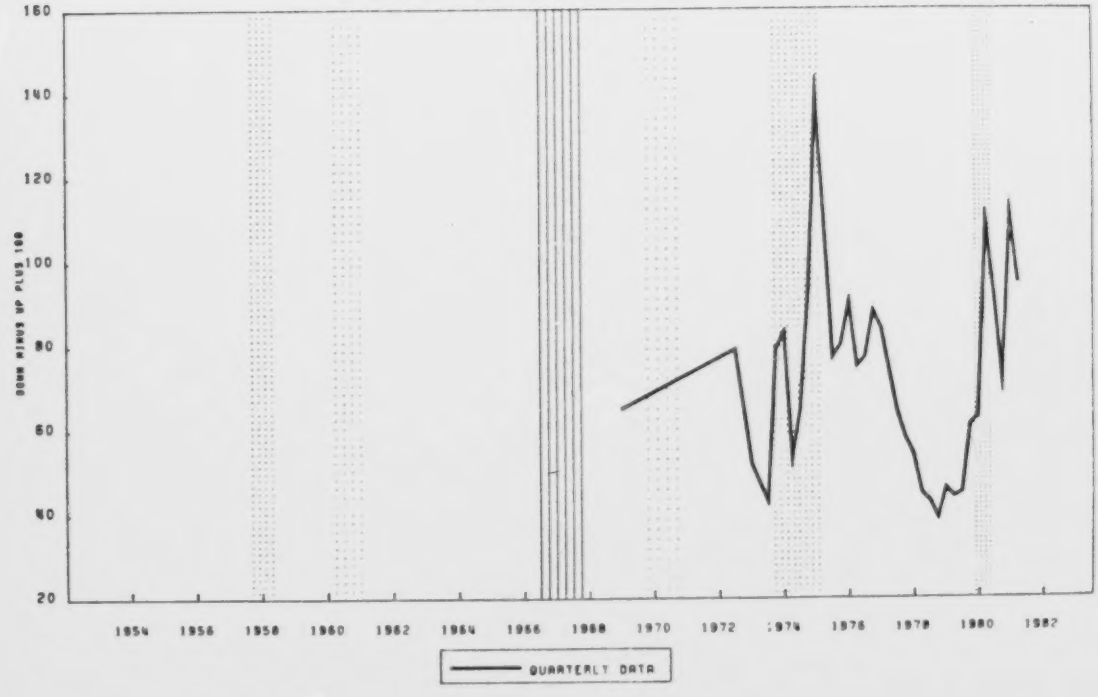

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GO UP	61%	64%	67%	63%	64%	64%	57%	54%	34%	38%	51%	30%	37%
STAY THE SAME	29	24	22	23	24	23	21	25	20	29	20	23	28
GO DOWN	5	7	6	9	8	9	19	17	43	29	23	41	31
DK, NA	5	5	5	5	4	4	3	4	3	4	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	63%	64%	68%	58%	62%	62%	54%	47%	28%	37%	48%	22%	31%
STAY THE SAME	31	25	22	29	26	25	20	27	19	30	21	23	31
GO DOWN	5	9	8	12	9	12	25	24	52	30	27	51	35
DK, NA	1	2	2	1	3	1	1	2	1	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
SAME OR DOWN	3%	2%	4%	1%	1%	1%	1%	2%	5%	4%	2%	3%	6%
GONE UP BY:													
1-2%	3	3	3	2	1	1	2	1	1	2	2	2	4
3-4%	8	4	5	5	4	3	3	4	3	5	4	4	6
5%	11	10	7	6	6	6	5	6	5	7	9	7	7
6-9%	17	16	17	17	13	10	10	8	8	11	11	9	11
10-14%	18	21	22	27	29	30	32	28	25	22	25	31	27
15% or more	22	26	22	27	32	34	33	38	38	31	31	26	26
DK how much up	18	17	20	15	14	15	14	13	14	17	15	17	13
DK, NA	*	1	*	*	*	*	*	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.9	14.1	12.9	14.8	15.5	15.4	16.2	16.4	15.9	14.5	15.0	13.6	12.9
VARIANCE	158	160	136	162	156	146	175	164	165	160	163	123	130
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	2%	1%	2%	1%	1%	*	1%	1%	3%	5%	2%	2%	5%
GONE UP BY:													
1-2%	2	3	3	2	*	1	2	1	2	1	2	2	4
3-4%	8	4	6	5	4	1	4	2	3	5	3	3	5
5%	10	11	8	6	3	4	4	6	5	5	5	6	8
6-9%	24	25	28	24	14	11	8	9	8	12	11	11	11
10-14%	23	28	23	32	37	39	40	31	30	28	33	37	35
15% or more	22	22	20	25	34	36	36	44	41	35	34	31	25
DK how much up	9	6	10	5	6	8	5	6	8	9	9	8	7
DK, NA	*	*	*	*	1	*	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.1	11.7	11.8	13.1	15.0	15.1	15.5	15.9	15.4	14.5	14.8	14.0	12.2
VARIANCE	114	87	101	105	119	103	135	118	128	134	130	100	90

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

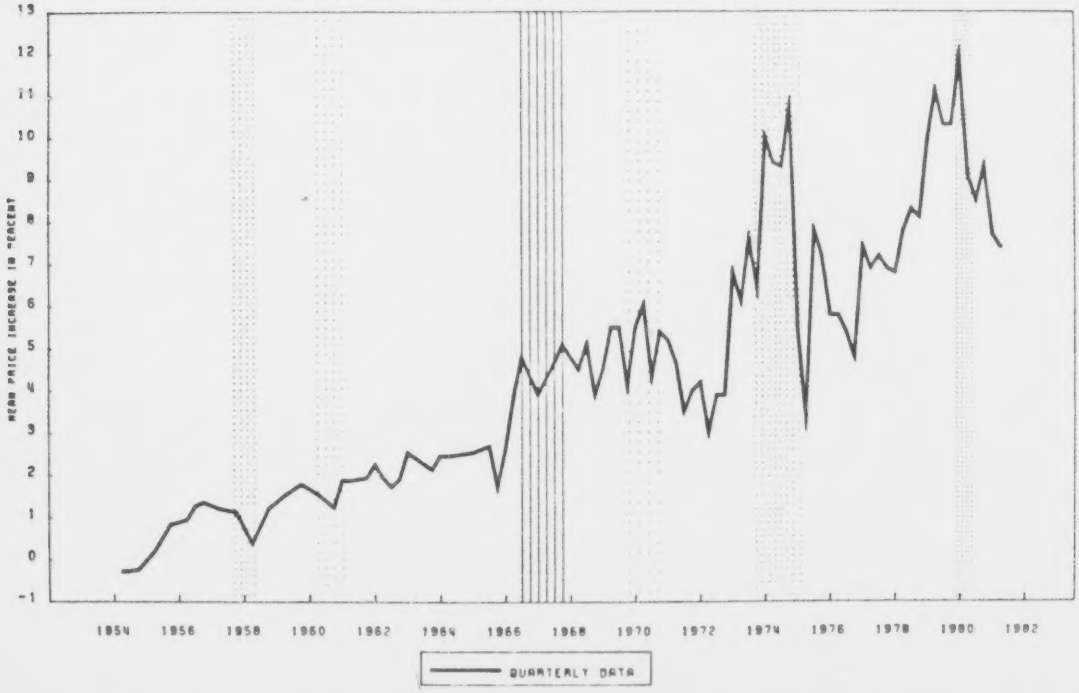

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
SAME OR DOWN	11%	13%	10%	8%	8%	12%	13%	10%	26%	19%	21%	21%	28%
WILL GO UP BY:													
1-2%	6	5	4	4	3	3	3	3	2	5	3	3	3
3-4%	10	8	7	7	6	6	5	4	4	6	5	8	7
5%	11	12	11	9	10	9	8	9	8	10	9	9	9
6-9%	20	17	20	20	14	13	14	11	9	11	11	12	11
10-14%	14	17	20	22	26	27	27	28	20	22	23	24	21
15% or more	8	10	7	13	19	18	16	24	19	13	16	10	12
DK how much up	18	16	19	16	12	11	12	9	10	12	10	11	7
DK, NA	2	2	2	1	2	1	2	2	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.8	8.3	8.1	9.9	11.1	10.3	10.3	11.9	9.1	8.5	9.3	7.7	7.4
VARIANCE	68	74	59	94	106	94	95	115	102	78	103	62	78
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	6%	8%	6%	5%	4%	9%	11%	9%	23%	16%	16%	16%	25%
WILL GO UP BY:													
1-2%	6	5	6	3	1	3	3	3	2	4	2	3	4
3-4%	9	8	8	5	6	4	5	3	5	8	5	7	7
5%	12	13	9	9	10	8	7	7	9	11	9	12	9
6-9%	31	28	31	32	17	16	16	10	11	13	14	15	15
10-14%	21	22	22	30	36	36	35	38	24	27	28	30	24
15% or more	5	7	7	9	19	18	16	25	20	15	16	9	11
DK how much up	10	8	10	7	6	6	7	5	5	5	9	7	5
DK, NA	*	1	1	*	1	*	*	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.5	7.6	8.0	9.1	11.2	10.5	9.9	11.6	9.0	8.9	9.4	8.0	7.3
VARIANCE	37	30	39	44	81	67	66	72	75	78	77	50	56

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

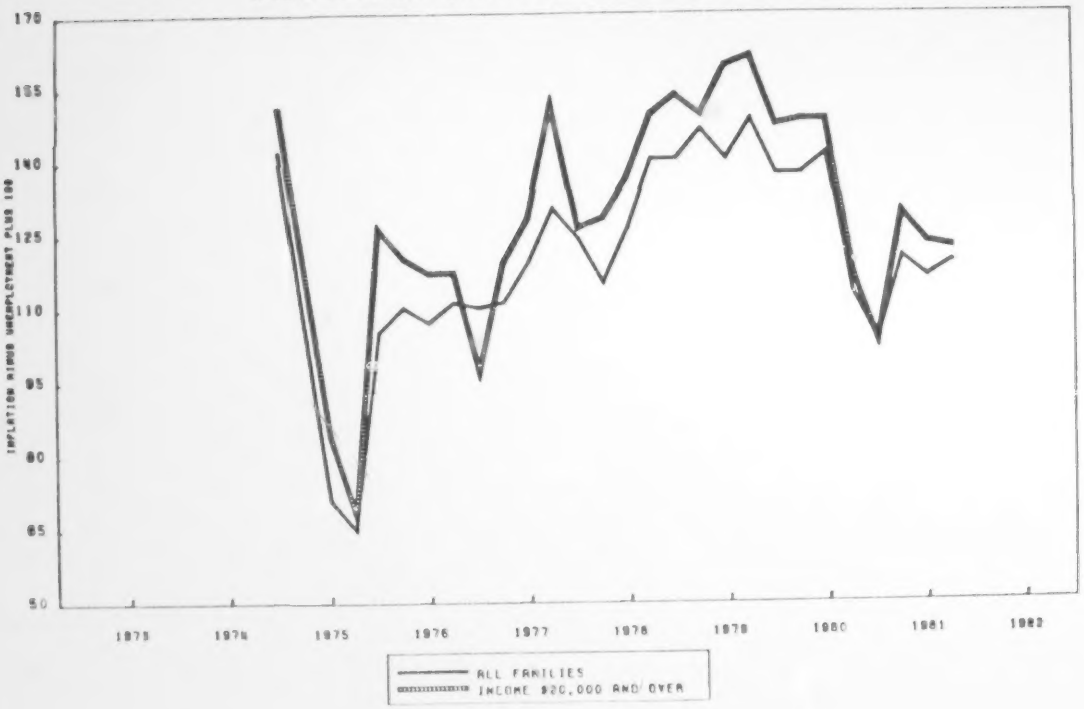

CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

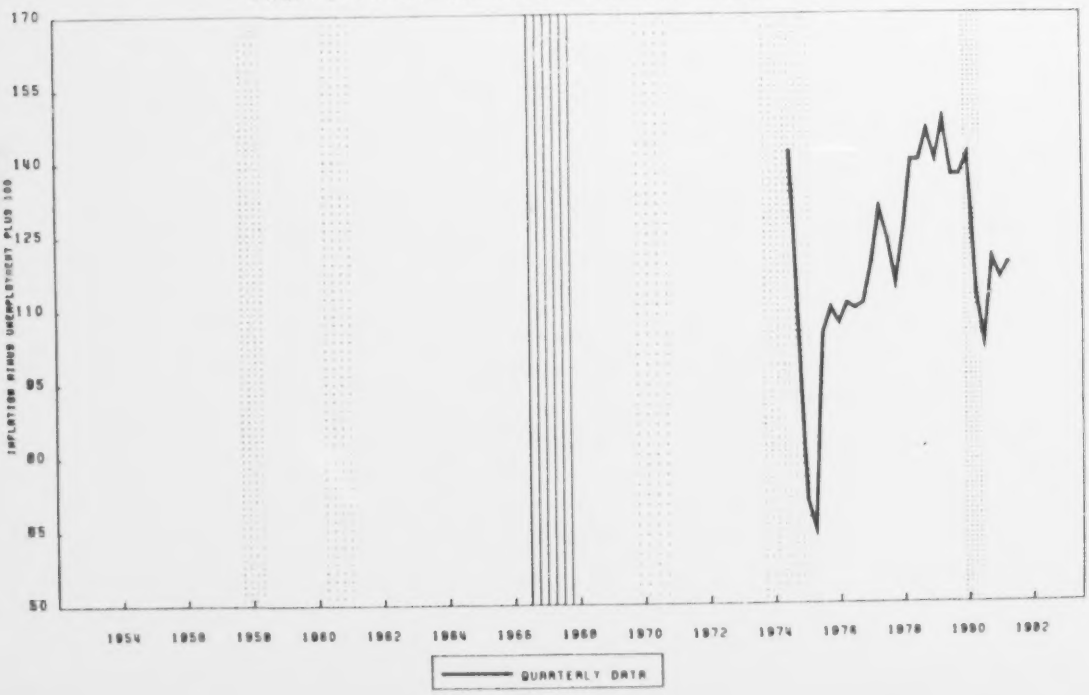

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
UNEMPLOYMENT	25%	25%	21%	25%	21%	26%	26%	25%	36%	42%	34%	36%	34%
BOTH EQUALLY SERIOUS	8	7	8	7	7	9	9	7	14	10	11	11	10
INFLATION	65	65	67	65	69	63	63	66	49	45	54	51	54
DK, NA	2	3	4	3	3	2	2	2	1	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
UNEMPLOYMENT	22%	21%	21%	18%	17%	22%	23%	23%	35%	43%	33%	33%	35%
BOTH EQUALLY SERIOUS	7	5	6	5	5	8	6	6	11	11	6	9	8
INFLATION	71	74	72	77	78	69	70	71	53	45	61	57	57
DK, NA	*	*	1	*	*	1	1	*	1	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

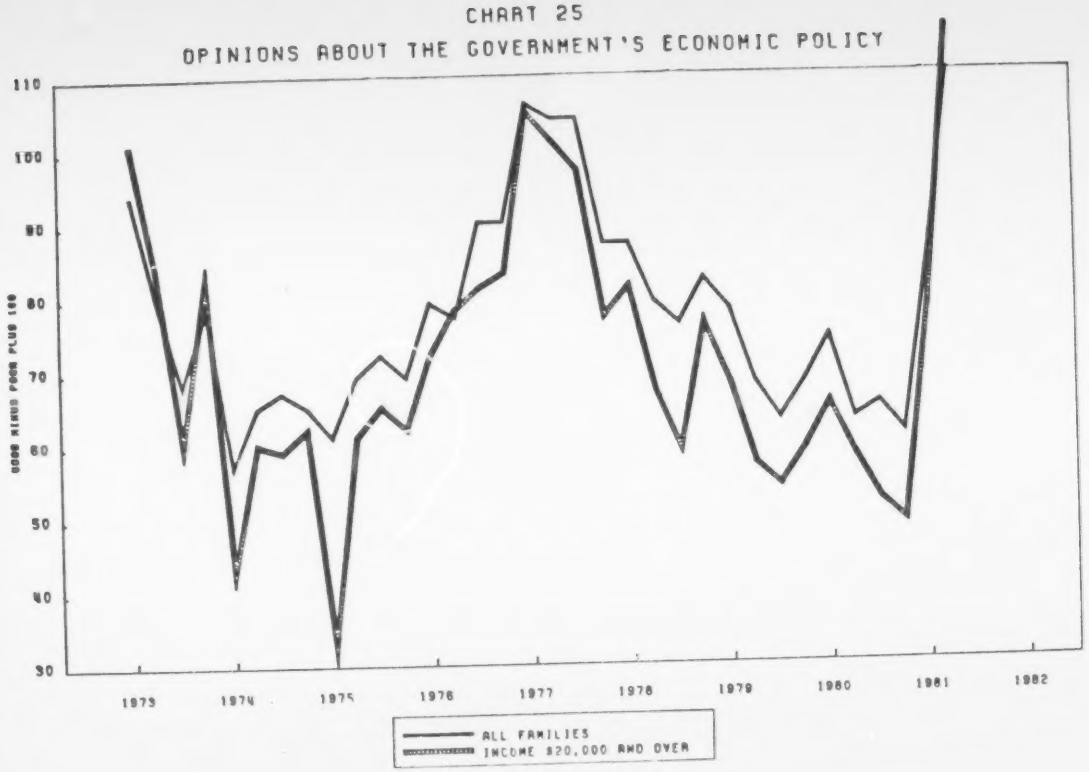

CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

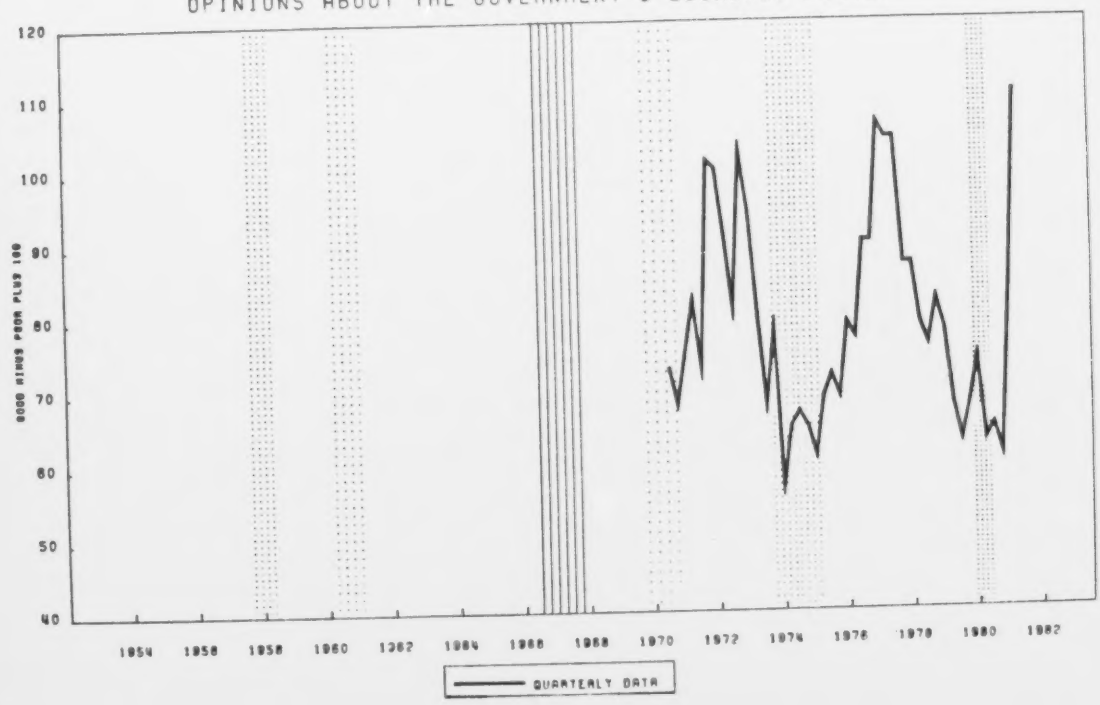

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
A GOOD JOB	10%	10%	11%	10%	8%	7%	8%	10%	7%	9%	7%	17%	28%
ONLY FAIR	55	53	55	53	48	47	47	50	45	44	44	42	50
A POOR JOB	32	34	29	32	40	43	41	36	44	44	46	33	18
DK, NA	3	3	5	5	4	3	4	4	4	3	3	8	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	6%	6%	9%	7%	5%	5%	6%	8%	6%	5%	4%	17%	33%
ONLY FAIR	52	47	55	51	46	44	47	49	44	40	41	38	48
A POOR JOB	40	46	33	39	48	50	46	42	49	53	54	39	17
DK, NA	2	1	3	3	1	1	1	1	1	2	1	6	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

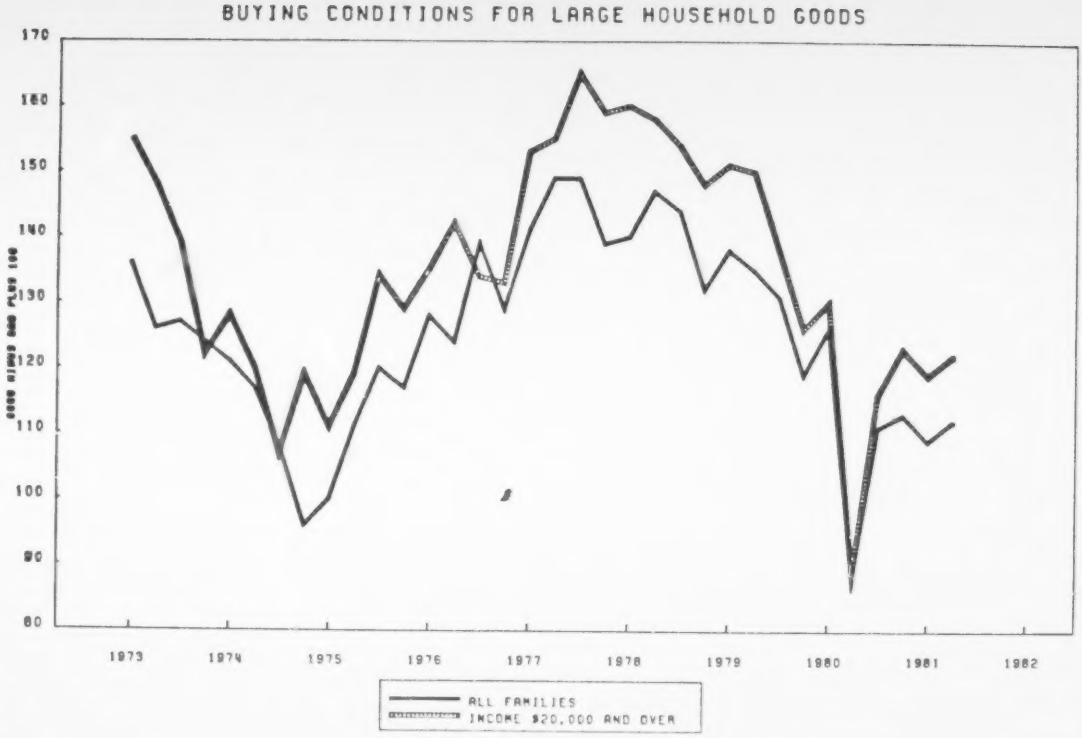

CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

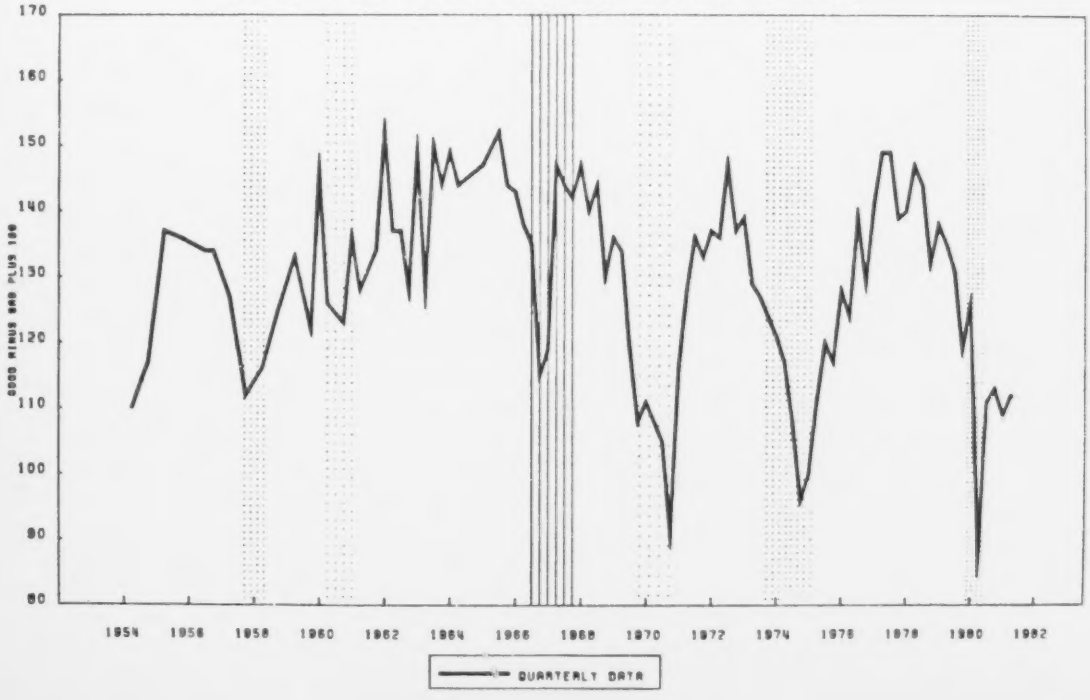

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	66%	64%	57%	62%	62%	60%	54%	58%	39%	48%	50%	47%	49%
UNCERTAIN, DEPENDS	16	16	18	14	11	11	10	10	10	16	13	15	14
BAD TIME TO BUY	18	20	25	24	27	29	36	32	51	36	37	38	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	72%	70%	66%	71%	70%	63%	58%	61%	40%	51%	54%	52%	53%
UNCERTAIN, DEPENDS	14	13	16	10	10	11	10	8	9	14	14	15	15
BAD TIME TO BUY	14	17	18	19	20	26	32	31	51	35	32	33	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

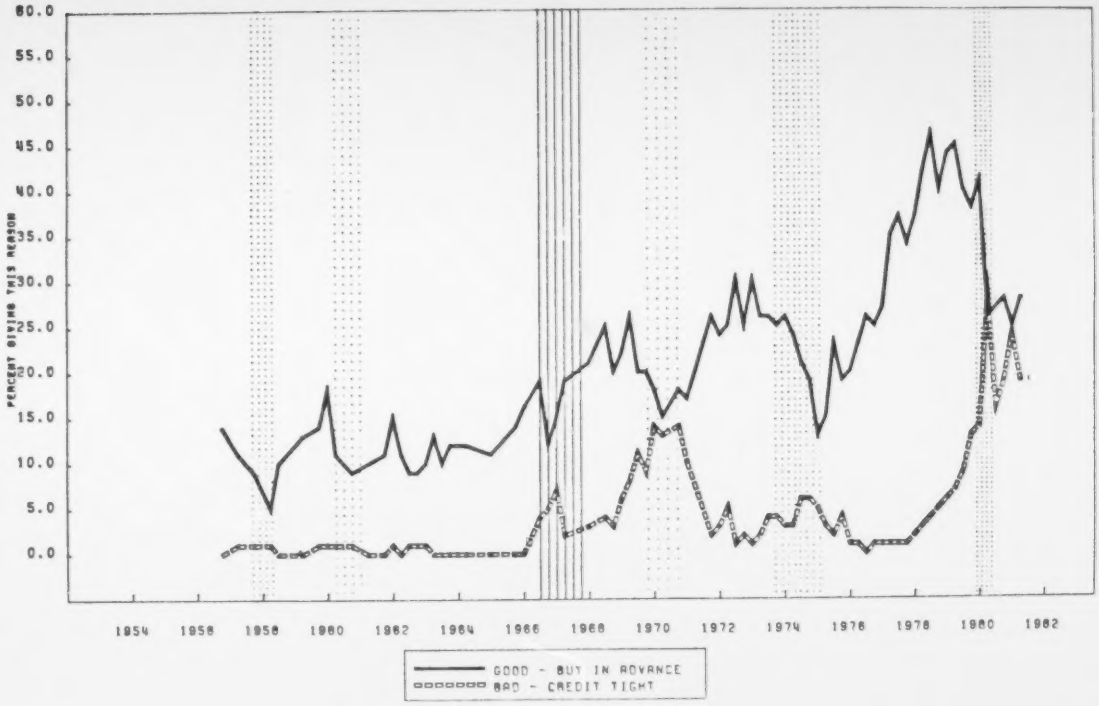

CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

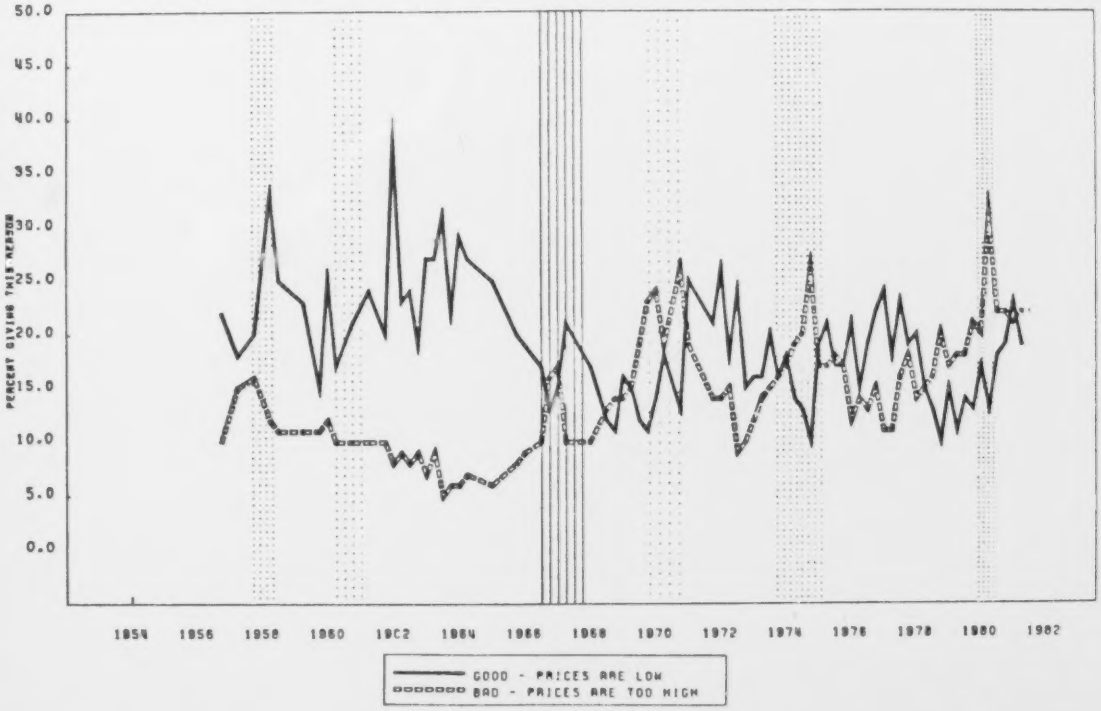

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	13%	10%	15%	11%	14%	13%	17%	13%	18%	19%	23%	19%
Prices won't come down; are going higher	42	46	40	44	45	40	38	41	26	27	28	25	28
Interest rates low; credit is easy	3	3	2	3	3	2	3	4	3	4	3	2	2
BAD TIME TO BUY:													
Prices are high	15	16	20	17	18	18	21	20	31	22	22	21	22
Interest rates are high; credit is tight	3	4	5	6	7	9	13	14	28	16	19	24	19
Lack of purchasing power	4	4	4	6	9	10	13	13	15	15	11	13	11
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	14%	10%	15%	12%	16%	15%	20%	15%	20%	23%	25%	23%
Prices won't come down; are going higher	53	53	50	51	55	45	40	44	26	30	30	31	30
Interest rates low; credit is easy	2	4	3	4	4	3	4	3	3	5	4	3	3
BAD TIME TO BUY:													
Prices are high	11	13	17	12	13	16	21	16	27	20	16	18	16
Interest rates are high; credit is tight	2	4	4	7	7	9	15	17	33	16	24	27	23
Lack of purchasing power	3	3	3	6	8	9	10	11	15	15	8	10	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

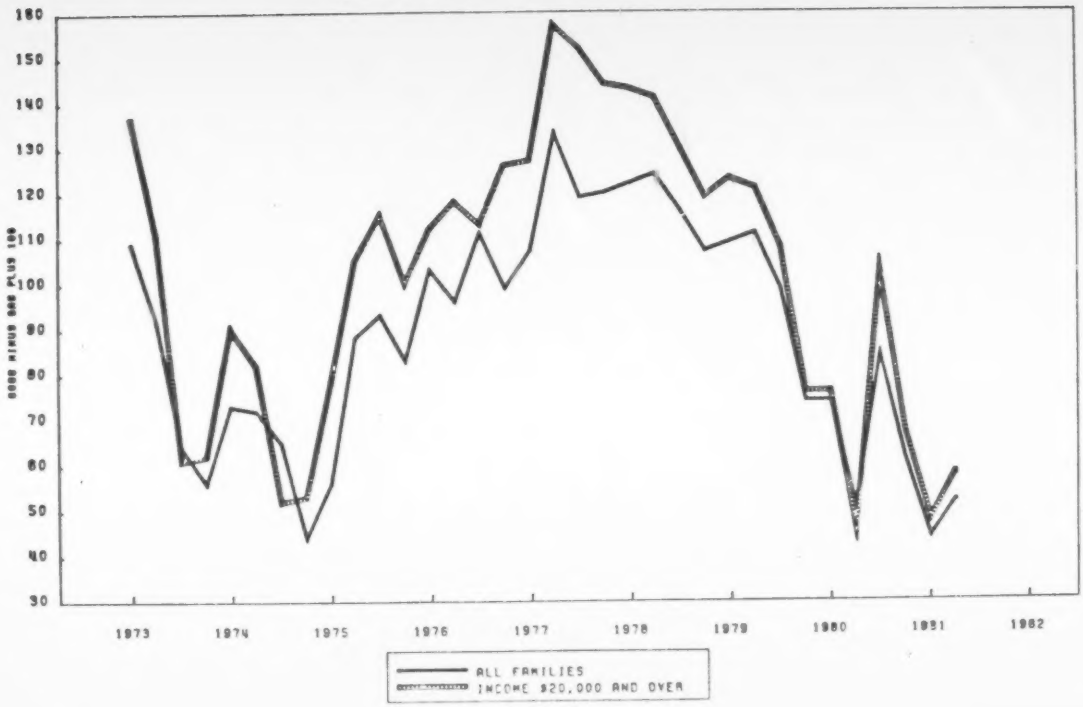

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

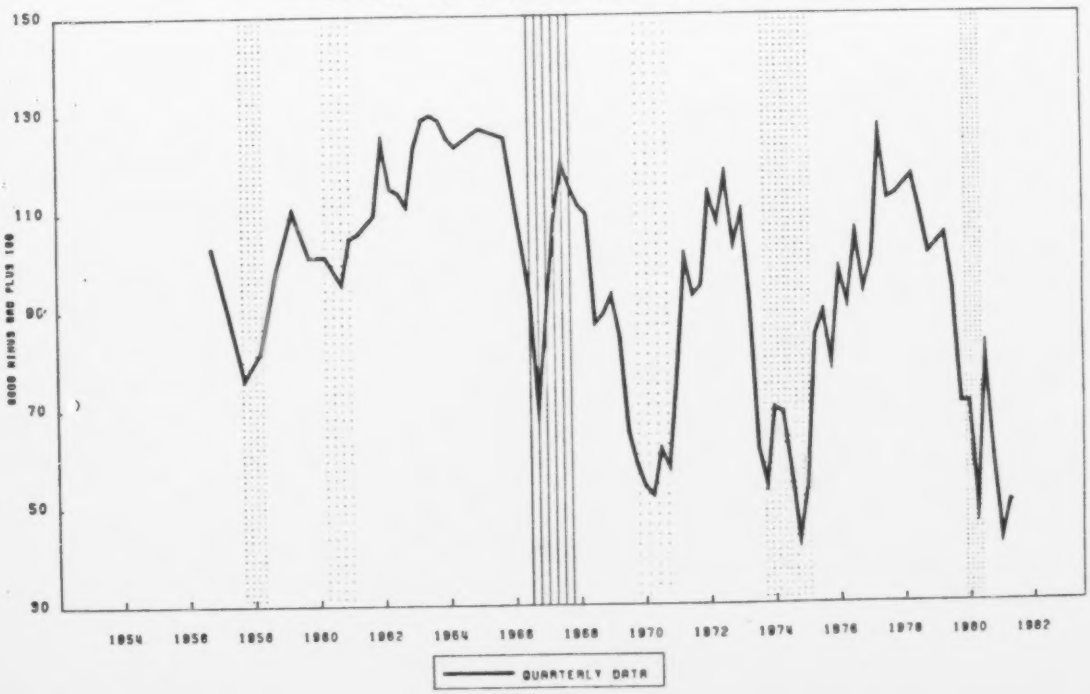

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	58%	53%	48%	50%	52%	47%	34%	35%	22%	39%	28%	20%	23%
UNCERTAIN, DEPENDS	8	10	11	9	7	5	6	5	7	6	5	4	6
BAD TIME TO BUY	34	37	41	41	41	48	60	60	71	55	67	76	71
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	68%	61%	55%	58%	58%	51%	35%	36%	20%	48%	30%	21%	27%
UNCERTAIN, DEPENDS	5	8	9	7	5	5	6	4	6	6	6	5	4
BAD TIME TO BUY	27	31	36	35	37	44	59	60	74	46	64	74	69
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

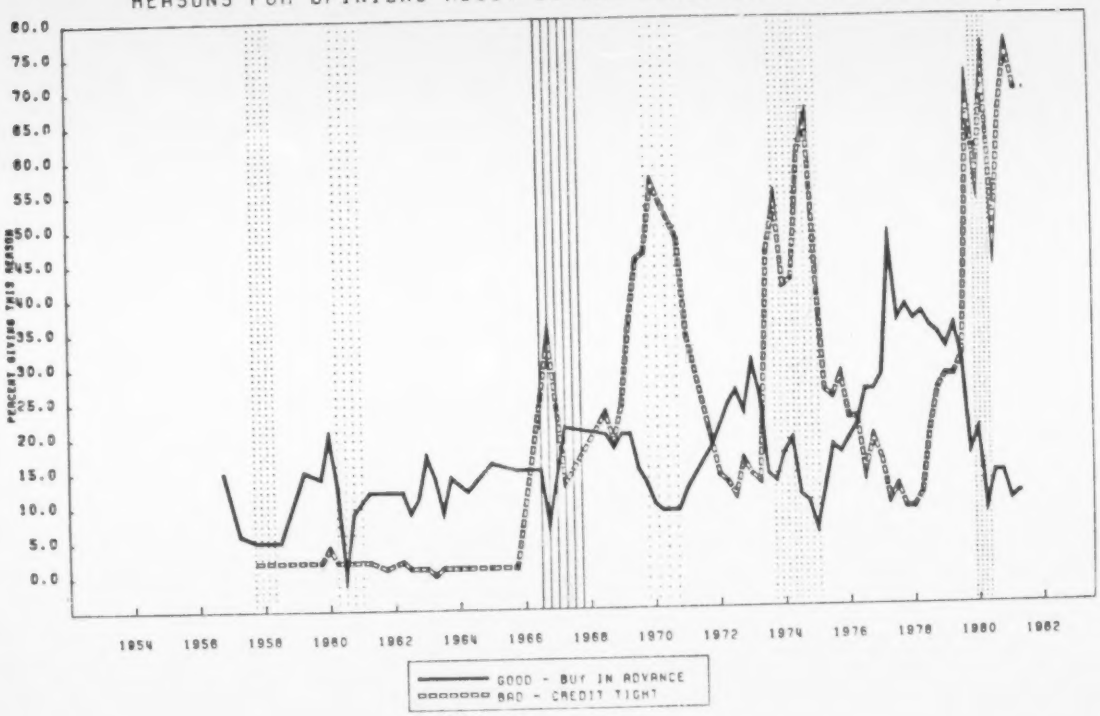

CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

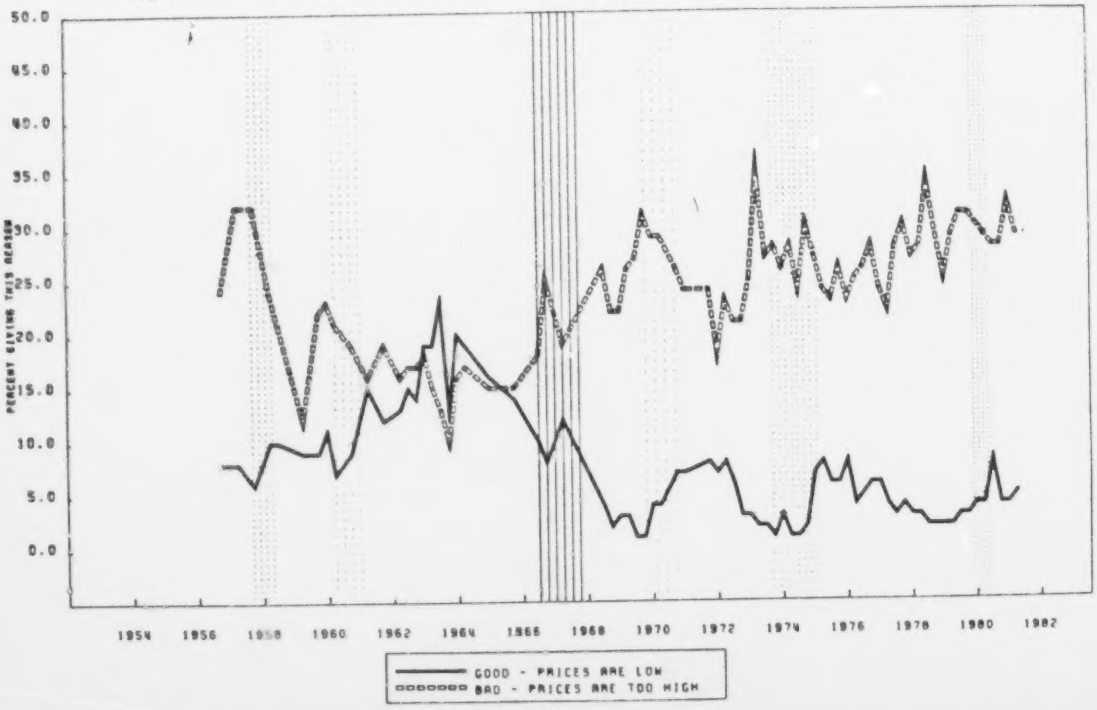

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	2%	2%	2%	2%	3%	3%	4%	4%	8%	4%	4%	5%
Prices won't come down; are going higher	37	35	34	32	35	30	17	20	9	14	14	10	11
Interest rates low; credit is easy	10	9	9	11	12	10	8	9	8	24	11	5	7
Good investment	10	14	9	12	14	12	8	12	7	8	7	8	7
BAD TIME TO BUY:													
Prices are high	28	34	29	25	29	31	31	30	29	28	28	32	29
Interest rates are high; credit is tight	11	20	26	28	28	31	68	56	72	48	66	75	69
Lack of purchasing power	7	3	6	6	9	9	9	8	9	13	12	12	12
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	2%	5%	4%	2%	3%	4%	5%	7%	13%	7%	7%	6%
Prices won't come down; are going higher	50	46	37	37	40	33	16	20	8	16	13	11	14
Interest rates low; credit is easy	16	14	11	16	18	13	10	10	9	32	13	7	8
Good investment	14	16	10	11	17	15	10	14	7	10	9	8	8
BAD TIME TO BUY:													
Prices are high	23	22	25	18	23	27	28	28	28	25	24	30	26
Interest rates are high; credit is tight	11	26	34	35	31	38	75	63	80	45	74	82	74
Lack of purchasing power	2	3	4	3	5	8	7	7	8	9	8	9	8

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

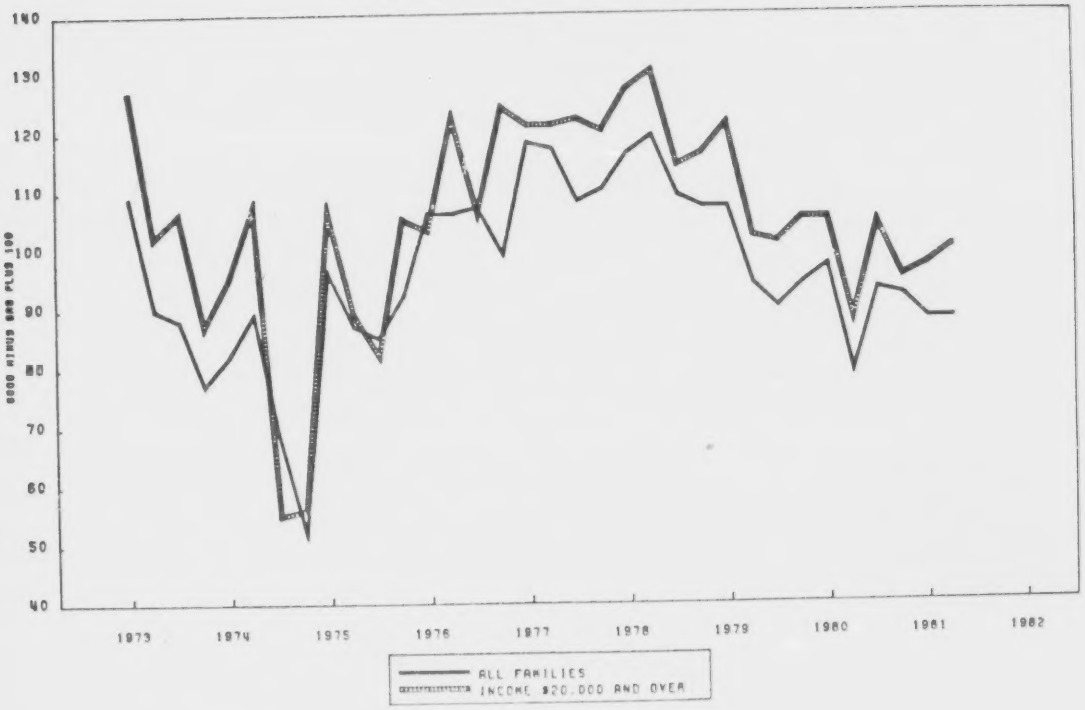

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

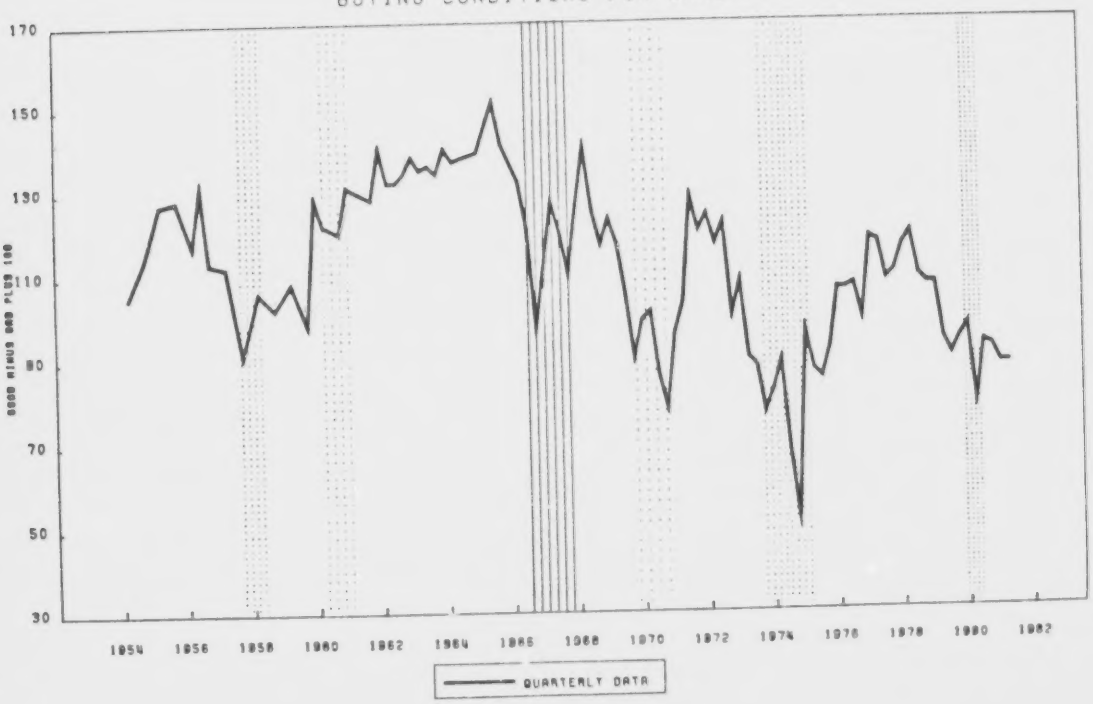

TABLE 30

BUYING CONDITIONS FOR CARS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	52%	46%	44%	46%	41%	38%	42%	44%	34%	40%	40%	38%	39%
UNCERTAIN; DEPENDS	16	17	19	15	12	14	10	9	11	13	13	12	9
BAD TIME TO BUY	32	37	37	39	47	48	48	47	55	47	47	50	52
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	58%	50%	50%	55%	45%	44%	49%	48%	39%	45%	42%	43%	47%
UNCERTAIN; DEPENDS	14	14	17	11	12	14	7	9	10	13	11	10	6
BAD TIME TO BUY	28	36	33	34	43	42	44	43	51	42	47	47	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

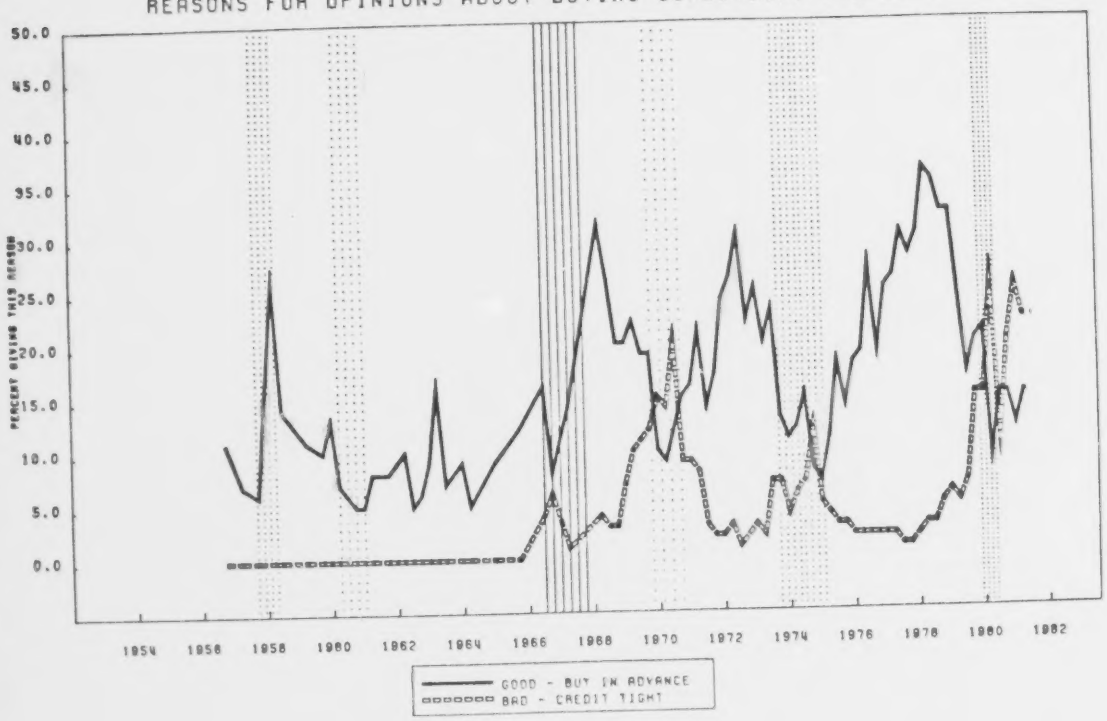

CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

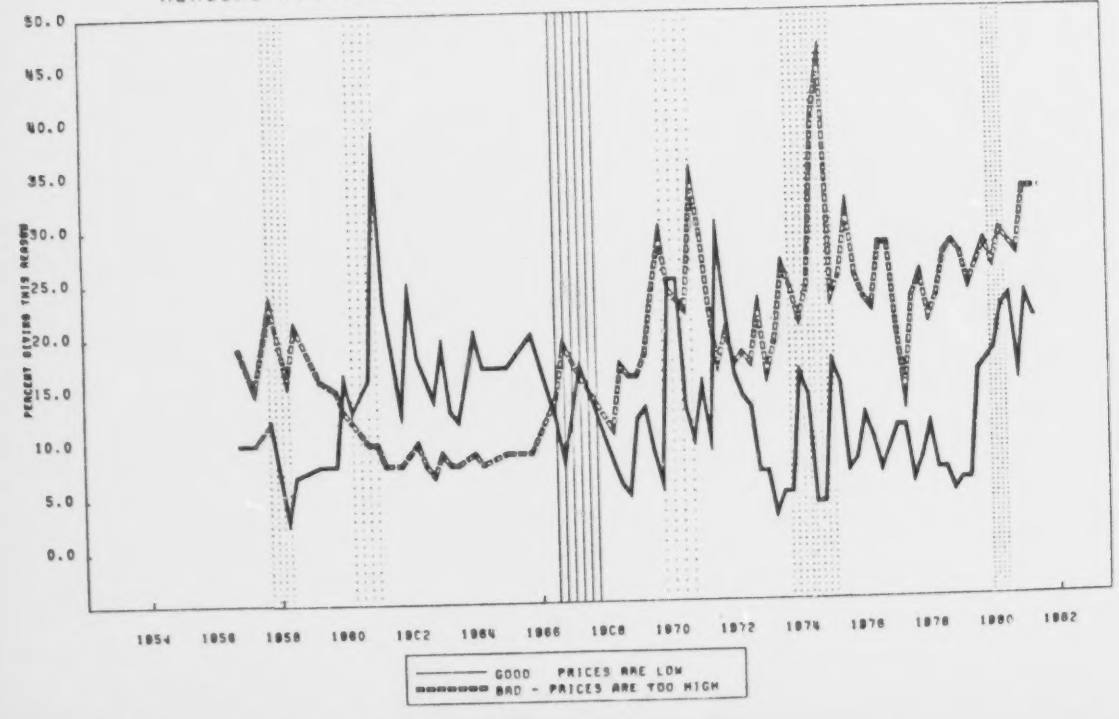

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	7%	5%	6%	6%	16%	17%	18%	22%	23%	16%	23%	21%
Prices won't come down; are going higher	36	35	32	32	24	17	20	21	9	15	15	12	15
Interest rates low; credit is easy	1	2	2	2	2	1	2	3	3	4	3	3	3
New fuel efficient models	3	2	2	4	13	10	9	12	8	6	8	5	5
BAD TIME TO BUY:													
Prices are high	23	27	28	27	24	26	28	26	29	28	27	33	33
Interest rates are high; credit is tight	3	3	5	6	5	7	15	15	25	11	20	25	22
Lack of purchasing power	3	3	3	3	5	6	6	6	6	8	8	8	7
Price of gas; shortages	1	1	2	7	22	19	12	16	13	5	4	6	3
Poor selection; quality	10	11	9	9	11	11	9	10	8	12	12	9	9
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	7%	6%	6%	7%	21%	22%	24%	30%	28%	18%	32%	28%
Prices won't come down; are going higher	42	38	37	40	28	17	22	22	9	17	17	14	18
Interest rates low; credit is easy	1	2	2	3	2	1	3	3	2	6	4	4	4
New fuel efficient models	5	3	2	5	14	13	9	13	8	7	7	5	5
BAD TIME TO BUY:													
Prices are high	20	24	23	20	22	23	23	24	25	25	26	27	28
Interest rates are high; credit is tight	2	4	5	7	5	6	18	15	28	10	22	31	24
Lack of purchasing power	1	2	3	2	5	3	5	4	6	8	5	6	3
Price of gas; shortages	3	1	3	7	22	17	10	13	9	4	3	2	3
Poor selection; quality	10	12	9	10	13	11	10	12	10	15	17	10	11

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PROBABLY WILL BUY	20%	21%	21%	18%	17%	14%	16%	20%	14%	16%	15%	15%	16%
CHANCES ARE EVEN	7	6	6	9	6	7	6	8	7	6	6	7	8
PROBABLY WILL NOT BUY	61	63	65	61	66	69	68	62	68	66	67	65	65
DK, NA	12	10	8	12	11	10	10	10	11	12	12	13	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	32%	33%	30%	30%	26%	21%	19%	30%	18%	22%	23%	22%	22%
CHANCES ARE EVEN	10	7	7	10	8	10	9	9	11	8	7	9	9
PROBABLY WILL NOT BUY	58	57	62	59	64	67	68	59	69	66	68	67	67
DK, NA	*	3	1	1	2	2	4	2	2	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

* : Less than half of one percent.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	27%	27%	27%	27%	23%	21%	22%	28%	21%	22%	21%	22%	24%
PURCHASE TYPE:													
Buy new	13	11	14	11	12	11	9	14	9	9	10	10	10
Buy used	12	11	11	15	10	9	11	12	9	11	8	9	11
Lease	1	3	1	1	1	1	1	1	1	1	1	1	1
DK, NA	1	2	1	*	*	*	1	1	2	1	2	2	2
PURCHASE TIMING:													
Next 3 months	5	5	2	3	4	3	4	2	3	3	3	2	4
Next 4-6 months	6	6	4	7	7	4	4	7	6	5	3	5	7
Next 7-9 months	5	4	5	6	4	4	5	7	5	3	6	6	6
10 months or more	3	5	6	6	3	4	5	6	3	4	4	4	3
DK, NA	8	7	10	5	5	6	4	6	4	7	5	5	4
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	42%	40%	37%	40%	34%	31%	28%	39%	29%	30%	30%	31%	31%
PURCHASE TYPE:													
Buy new	27	21	23	22	21	18	15	23	16	16	16	17	17
Buy used	11	10	11	14	11	11	10	12	9	11	11	8	11
Lease	2	7	2	3	1	1	2	3	2	1	2	3	2
DK, NA	2	2	1	1	1	1	1	1	2	2	1	3	1
PURCHASE TIMING:													
Next 3 months	8	7	3	4	6	6	5	3	4	5	4	4	4
Next 4-6 months	12	10	7	10	11	7	5	12	7	7	6	7	9
Next 7-9 months	9	9	7	11	7	5	8	9	8	6	7	8	10
10 months or more	5	7	9	9	5	8	6	8	4	4	6	6	4
DK, NA	8	7	11	6	5	5	4	7	6	8	7	6	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	61%	63%	65%	61%	66%	69%	68%	62%	68%	66%	67%	65%	65%
PURCHASE TYPE:													
Would buy new	32	37	36	34	38	39	41	36	39	38	40	34	38
Would buy used	26	23	25	24	26	28	25	24	26	26	24	28	25
DK, NA	3	3	4	3	2	2	2	2	3	2	3	3	2
PURCHASE TIMING:													
Less than 2 years	7	4	6	5	5	7	7	7	7	5	6	5	7
2 years	20	19	19	17	20	20	18	21	17	20	21	21	20
3 years	8	10	12	9	11	11	11	7	11	10	13	10	10
4 years or more	13	17	16	15	16	17	19	17	20	20	16	18	19
Indefinite	6	7	3	7	6	6	6	3	4	4	4	4	4
DK, NA	7	6	9	8	8	8	7	7	9	7	7	7	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	58%	57%	62%	59%	64%	67%	68%	59%	69%	66%	68%	67%	67%
PURCHASE TYPE:													
Would buy new	36	41	40	38	43	44	47	39	47	48	49	44	44
Would buy used	20	14	20	18	20	21	20	19	20	17	17	21	21
DK, NA	2	2	2	3	1	2	1	1	2	1	2	2	2
PURCHASE TIMING:													
Less than 2 years	8	7	8	9	7	8	10	8	8	6	7	7	7
2 years	23	25	24	24	26	25	25	24	23	24	26	22	24
3 years	12	10	12	12	12	11	11	6	12	13	13	11	11
4 years or more	10	13	11	10	13	17	17	15	20	18	16	20	20
Indefinite	1	2	1	2	2	1	2	1	2	2	2	3	2
DK, NA	4	*	6	2	4	5	3	5	4	3	4	4	3

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Second Quarter Survey
April-June 1981

July 2, 1981

CONFIDENCE IN GOVERNMENT RAISES OPTIMISM

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ATTACHMENTS:

April-June 1981 Tables and Charts

The second quarter 1981 surveys included 2,032 interviews, conducted between March 23 and June 22, 1981.

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Highlights

** In the April-June 1981 surveys the Index of Consumer Sentiment was 73.9, a gain of 5.6 Index points from the first quarter 1981 level, and nearly 20 Index points above the year earlier figure.

** Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 82.0 in the April-June 1981 surveys, up 5.9 Index points from the first quarter 1981 level.

** Among all families, 39 percent expected good times in the economy as a whole during the next 12 months in the April-June 1981 surveys, up from 28 percent in the first quarter 1981 surveys, and just 14 percent in the year earlier readings. Long term business expectations posted more modest gains in the second quarter 1981 surveys, with 32 percent of all families expecting good times during the next five years or so, up from 28 percent in the first quarter 1981 surveys, and 17 percent in the second quarter 1980 surveys.

** In the April-June 1981 surveys, more respondents rated government economic policy as favorable than at any other time during the past decade. The current proposals to reduce federal taxes and spending were expected to improve consumers personal financial situation (41 percent), as well as the economy in general (56 percent). Among families who expected tax reductions, the median expected increase in take-home pay was $50. Nearly as many families planned to save (41 percent) as to spend (46 percent) the additional income. Approximately these same results were obtained in 1963, except at that time a greater share of the planned spending was for new purchases, whereas in 1981 most of the planned spending was aimed at restoring balance to inflation-ravaged budgets.

** Interest rate increases were expected by 37% of all families in the second quarter surveys, up from 30% in the first quarter of 1981. Price expectations, on the other hand, declined somewhat in the April-June surveys, with respondents expecting prices to increase an average 7.4%, down from 7.7% expected in the first quarter of 1981, and well below the 9.1% recorded in the second quarter of 1980.

** Buying attitudes remained at near record unfavorable levels in the April-June 1981 surveys. In the second quarter of both 1980 and 1981, the proportion holding unfavorable attitudes was 71 percent, down from the peak level of 76 percent recorded in the first quarter of 1981. Unfavorable attitudes toward market conditions for cars were held by 52 percent in the second quarter of 1981 largely unchanged from the 50 percent recorded in the first quarter.

* * *

The April-June 1981 surveys indicate that consumer sentiment has remained largely unchanged since late 1980, at improved levels due to favorable evaluations of the proposed economic policies of the Reagan administration. Although expected inflation rates have declines, interest rate expectations have not, and this heightened concern with the real cost of credit has stifled favorable buying attitudes.

Sentiment Improves

In the April-June 1981 surveys, the Index of Consumer Sentiment was 73.9, a gain of 5.6 Index points from the first quarter 1981 level, and nearly 20 Index points above the year earlier figure. Most of the 20 point gain during the past year was recorded in the last half of 1980 (18 Index points), not in the first half of 1981 (2 Index points). Since late 1980, consumer sentiment has remained largely unchanged, although at a much improved level, due to favorable evaluations of the proposed economic policies of the Reagan administration.

Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 82.0 in the April-June 1981 surveys, up 5.9 Index points from the first quarter 1981 level. In each of the four major geographic regions, as well as in each major age subgroup, the Index of Consumer Sentiment in April-June 1981 was 16 to 23 index points higher than comparable year-earlier readings. The major portion of the improvement recorded in each subgroup was recorded in the last half of 1980.

Personal Finances

When evaluating their current financial situations, consumers have indicated only small progress during the past year. In the April-June 1981 surveys, 28 percent reported improvement in their financial situations, only marginally above the 27 percent recorded in the first quarter 1981 surveys, and 25 percent in the second quarter 1980 surveys. A worsening financial situation, rather than improvement was the more common response in the April-June 1981 surveys, by 41 percent of all families, although somewhat below the 48 percent recorded a year earlier. This small improvement from the year-earlier reading was mainly due to more favorable references to changes in family income, and fewer unfavorable references to inflation. Despite the

small improvement, consumer evaluations of their personal financial situations remains near record unfavorable levels.

Despite this maintenance of unfavorable evaluations of their current financial situation, the balance of opinion has shifted toward favorable expectations for change in the year ahead. Among all families, 32 percent expected improvement in their financial situation, compared with 18 percent that expected deterioration, the rest expecting their financial situation to remain largely unchanged during the year ahead. This represents a sizeable improvement from the lows recorded in the second quarters of 1979 and 1980, when deterioration rather than improvement was more widely expected. The improvement in personal financial expectations has been somewhat sharper among families with incomes of $20,000 or more. After remaining largely unchanged from the lows recorded in second quarters of 1979 to 1980, the proportion that expected their personal finances to improve rose to 37 percent in the second quarter of 1981 from 26 percent one year earlier, while the proportion that expected worsening finances fell to 17 percent in the second quarter of 1981, from 26 percent one year earlier.

The improvement in personal financial expectations resulted from more favorable nominal income expectations, together with declines in the expected rate of inflation. Among all families, 32 percent reported that they expected their nominal family income to increase by 10% or more during the next year, just above the 31 percent recorded in the second quarter of 1980. On balance, nominal income expectations have remained at relatively high levels during the past year. As shown in the following table, the median income increase expected among all families was 6.4% in May 1981, up significantly from 4.5-5.2% range recorded the prior four years. The recent increase in the overall median was largely due to an increase in the proportion of families

that expected nominal income gains (from 63 percent in 1980 to 70 percent in 1981). Among families that expected income increases, the median expected increase was 9.9% in 1981, only marginally above the 9.7% recorded in 1980.

Because of the concurrent decline in price expectations, real income expectations have improved considerably. Among all families, the proportion that expect real income declines due to inflation fell from a high of 53 percent in early 1980 to 40 percent in the April-June 1981 surveys.

TABLE A

MEDIAN PERCENTAGE INCREASES EXPECTED
IN NOMINAL FAMILY INCOME

	All Families	Families Who Expect Increase	
May Surveys	Median	Percent Total	Median Increase
1977	4.5%	63%	6.9%
1978	4.7	63	7.3
1979	5.0	61	9.2
1980	5.2	63	9.7
1981	6.4	70	9.9

Lowered Price Expectations

The second quarter 1981 surveys recorded a significant decline in perceptions of the current rate of inflation. In the second quarter 1981 surveys, consumers reported an average increase of 12.9% in the prices of the things they bought during the past year, a significant decline from the 15.9% recorded in the second quarter 1980 surveys. The proportion that thought the